APPENDIX Y
Resettlement Action Plan
Proposed Malingunde Graphite Project

Resettlement Action Plan

Sovereign Metals Limited

Project Number: 60559368
## Document History

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### Glossary of terms

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<tr>
<td>Acres per hectare</td>
<td>One acre is equivalent to 0.4 hectares</td>
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<td>Asset survey</td>
<td>A survey undertaken to identify (a) persons eligible for compensation under the Resettlement Action Plan (RAP), and (b) identify and assess all assets (by owner and/or rights holder) that will need to be replaced/compensated under the RAP.</td>
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<td>Buffer area</td>
<td>Entails a defined area, usually based on risk to personal safety, directly surrounding project infrastructure footprint. Generally the width of the buffer zone depend on the degree of risk associated with project activities</td>
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<td>Census</td>
<td>A survey of all persons who will be displaced by the project that captures all appropriate socio-economic baseline data of affected persons and their households and records their assets to determine eligibility for compensation and other support.</td>
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<td>Compensation</td>
<td>Refers to payment in kind, cash or other assets given in exchange for the taking of land, including fixed assets thereon, in part or whole, or impact on livelihood. Compensation also includes costs such as fees for obtaining land title, moving costs, etc., associated with the resettlement process.</td>
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<tr>
<td>Compulsory acquisition / Expropriation</td>
<td>Compulsory acquisition / expropriation is the power of government to acquire land rights or right in land without the willing consent of the owner or occupant in the public interest as often necessary for social and economic development.</td>
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<td>Customary land</td>
<td>Land held in trust by the Chief for the people</td>
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<td>Cut-off date</td>
<td>The date of completion of the census and assets inventory of persons affected by the project. Persons who start 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, will not be compensated.</td>
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<td>Displacement</td>
<td>The physical, economic, social and/or cultural uprooting of a person, household, social group or community as a result of the Project.</td>
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<td>District</td>
<td>The second-highest administrative division of Malawi. Each region is subdivided into districts. There are 28 districts within Malawi</td>
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<td>Economic displacement</td>
<td>Loss of assets (including land), or loss of access to assets, that leads to loss of income or means of livelihood as a result of project-related land acquisition or restriction of access to natural resources. People or enterprises may be economically displaced with or without experiencing physical displacement.</td>
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<td>Eligibility</td>
<td>Entitlement to compensation and assistance due to subjection to displacement resulting from land acquisition, the revocation of rights, and/or the expropriation of property.</td>
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<td>Encroachment</td>
<td>The unauthorised use of a right-of-way/project footprint in violation of the terms by which the right-of-way/project footprint was established (e.g. easement). Encroachers include any people settling and/or using land after a cut-off date has been instated.</td>
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<td>Entitlement framework</td>
<td>Describes compensation for both physical and livelihood losses due to resettlement or displacement and identifies categories of people who will be eligible to receive compensation as a result of these losses.</td>
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**Prepared for:** Sovereign Metals Limited

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<td>communities physical and/or economicalaly displaced by the Project. This includes (but is not limited to): financial compensation; the right to participate in livelihood restoration programmes; housing, service provision, transport assistance, and other short-term assistance required to move from one site to another.</td>
<td></td>
</tr>
<tr>
<td>Equator Principles</td>
<td>A risk management tool adopted by 89 financial institutions in 37 countries for identifying, assessing and managing environmental and social risks. The EPs are largely based on IFC’s Performance Standards with some additional requirements.</td>
</tr>
<tr>
<td>Fallow land</td>
<td>Land that is normally used for farming but that is not cultivated to let it recover its fertility.</td>
</tr>
<tr>
<td>Final investment decision</td>
<td>The project partners’ final decision on whether or not the project is financially viable as part of their long-term corporate finance decisions. In general the financial investment decision is taken after the completion of certain studies and obtaining of permits as the project is readied for construction.</td>
</tr>
<tr>
<td>Focus groups</td>
<td>A qualitative data collection methodology involving small groups of people to discuss selected points of interest.</td>
</tr>
<tr>
<td>Freehold land</td>
<td>Land held absolutely privately in perpetuity on which no ground rent is paid.</td>
</tr>
<tr>
<td>Full replacement cost</td>
<td>Represents the market value of assets plus transaction costs. Depreciation of structures and assets should not be taken into account.</td>
</tr>
<tr>
<td>Grievance</td>
<td>A matter considered by a project-affected person or community member to be unjust or unfair as a result of the resettlement implementation process or construction that causes distress and in its extreme form may result in an interference with project implementation.</td>
</tr>
<tr>
<td>Host community</td>
<td>Communities that live in or around areas where physically displaced people will be resettled to or where replacement agricultural land is allocated, and who, in turn, may then be affected by the resettlement. Resettlement may in certain instances give rise to impacts on host communities – for instance, through increased pressure on land, water or other resources, or through changes in local socio-economic dynamics.</td>
</tr>
<tr>
<td>Household</td>
<td>A group of persons who may or may not be related, but who share a home or living space, who aggregate and share their incomes, and evidenced by the fact that they regularly take meals together</td>
</tr>
<tr>
<td>Improvement</td>
<td>In relation to any land, means any work or product of work which materially adds value to the land and which is suitable to the land and consistent with the character thereof</td>
</tr>
<tr>
<td>Indigenous people</td>
<td>Social groups with a social and cultural identity distinct from the dominant society that makes them vulnerable to being disadvantaged in the development process.</td>
</tr>
<tr>
<td>International good practice</td>
<td>Practices applied to the project to achieve the best possible results when managing social and environmental impacts.</td>
</tr>
<tr>
<td>Involuntary resettlement</td>
<td>Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that will result in displacement. This occurs in cases of lawful expropriation or restrictions on land use based on eminent domain; and in cases of negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.</td>
</tr>
<tr>
<td>Land</td>
<td>Means the material of the earth, whatever may be the ingredients of which it is composed, whether soil, rock or other substance, and includes</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Proprietary</td>
<td>the surface covered with water, all things growing on that surface, buildings, other things permanently affixed to land and free or occupied space for an indefinite distance upwards as well as downwards, subject to limitations upon the airspace imposed, and rights in the use of airspace granted, by international law.</td>
</tr>
<tr>
<td>Land acquisition</td>
<td>Land acquisition includes both outright purchases of property and purchases of access rights, such as rights-of-way.</td>
</tr>
<tr>
<td>Leasehold land</td>
<td>Land held privately for a term of years.</td>
</tr>
<tr>
<td>LiDAR</td>
<td>A remote sensing method that uses light in the form of a pulsed laser to measure ranges (variable distances) to the Earth.</td>
</tr>
<tr>
<td>Livelihood</td>
<td>A livelihood comprises the capabilities, assets and activities required for a person to make a living such as: wages from employment; cash income earned through an enterprise or through sale of produce, goods, handicrafts or services; rental income from land or premises; income from a harvest (such as various sharecropping arrangements) or livestock production; self-produced goods or produce used for exchange or barter; self-consumed goods or produce, food, materials, fuel and goods for personal or household use or trade derived from natural or common resources; pensions; various types of government allowances (child allowances, special assistance for the very poor); and remittances from family or relatives.</td>
</tr>
<tr>
<td>Livelihood Restoration Plan</td>
<td>Analogous to a Resettlement Action Plan, except that it is appropriate for cases where displacement impacts are limited to economic displacement (i.e. does not include physical displacement).</td>
</tr>
<tr>
<td>Livelihood Restoration Programme</td>
<td>A programme intended to set out how to replace or restore livelihoods lost or reduced as a result of a project. The programme will aim to restore or if possible improve, the quality of life and standard of living of affected parties, and ensure food security through the provision of economic opportunities and income generating activities of affected property owners and their households.</td>
</tr>
<tr>
<td>Market value</td>
<td>The value that is required to enable affected persons and communities to replace lost assets with new assets of similar value.</td>
</tr>
<tr>
<td>Non-governmental Organisation (NGO)</td>
<td>Any not-for-profit, non-governmental and voluntary citizens group organised on a local, national or international level. It can perform a variety of public services and humanitarian functions and is often guided by a specific mission.</td>
</tr>
<tr>
<td>Notice to acquire land</td>
<td>An official written notice issued to people who will be displaced by the Project, informing them that their land will be acquired (and/or property expropriated) for purposes of the Project.</td>
</tr>
<tr>
<td>Notice to vacate</td>
<td>A written notice issued to owners and occupants of land acquired by the Project, informing them to leave the premises within a specified time frame.</td>
</tr>
<tr>
<td>Orphaned land</td>
<td>A term to describe land dissected by project infrastructure leaving portions of the original field no longer viable to cultivate/use.</td>
</tr>
<tr>
<td>Perennial crops</td>
<td>Plants/crops that live for more than two years.</td>
</tr>
<tr>
<td>Performance Standards (IFC)</td>
<td>The global benchmark for environmental and social risk management in the private sector.</td>
</tr>
<tr>
<td>Physical displacement</td>
<td>Loss of house/apartment, dwelling or shelter as a result of project-related land acquisition which requires the affected person(s) to move to another location.</td>
</tr>
</tbody>
</table>
| Private land                       | All land which is owned, held or occupied under a freehold title, or a
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold title and is registered as such under the Registered Land Act (1967) and the Registered Land (Amendment) Act (2017)</td>
<td>Project activities from design, engineering, procurement, construction, commissioning, operating, maintaining and closure.</td>
</tr>
<tr>
<td>The area that has to be acquired for the purpose of establishing the project infrastructure, including mining pits, construction facilities and the operational facilities.</td>
<td>Project developer The party responsible for the funding, planning, implementation and operations and maintenance of a project.</td>
</tr>
<tr>
<td>A corporate entity seeking financing for a project either directly or through a financial intermediary.</td>
<td>Project-affected household All members of a household, whether related or not, operating as a single economic unit, who are affected by a project.</td>
</tr>
<tr>
<td>Any person who, as a result of the land acquisition required by the project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, pasture or undeveloped/unused land), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.</td>
<td>Public land Land held in trust for the people of Malawi and managed by government and includes any land held by the government or local authority and, land gazetted for national parks, forest reserves, and recreation areas, historic or cultural sites.</td>
</tr>
<tr>
<td>All land which is occupied, used or acquired by the Government and any other land not being customary or private land and includes: a) Any land which reverts to the Government on the termination, surrender or falling in of any freehold or leasehold title under which any parcel of land concerned is held; and b) Notwithstanding the revocation of the existing orders, any land which was immediately before the coming into operations of this Act not Public land within the meaning of the existing orders (Land Act, 2016).</td>
<td>Region The highest administrative division of Malawi. The country is divided into three regions, each of which is further subdivided into 28 districts.</td>
</tr>
<tr>
<td>Legislative and lender requirements used to guide good practice in resettlement and obtaining land access. Lender requirements include compliance with IFC Performance Standards, Equator Principles and United Nations Guiding Principles on Business and Human Rights.</td>
<td>Regulatory framework</td>
</tr>
<tr>
<td>Replacement cost as a rate of compensation for lost assets must be calculated as market value plus transaction costs. (IFC, 2012); i.e. A replacement cost/value of any land or other asset is the cost/value equivalent to or sufficient to replace/purchase the same land or other asset.</td>
<td>Replacement cost</td>
</tr>
<tr>
<td>The displacement or relocation of an affected population from one location to another within the national territory, and the restructuring or creation of comparable or superior living conditions.</td>
<td>Resettlement</td>
</tr>
<tr>
<td>A plan that provides a comprehensive set of actions for addressing impacts related to physical and economic displacement. It describes the procedures and activities that will be taken to compensate for losses, mitigate adverse project impacts, and provide development benefits to those who will be resettled or displaced as a result of the project.</td>
<td>Resettlement Action Plan</td>
</tr>
<tr>
<td>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</td>
<td>Resettlement assistance</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Resettlement working group</td>
<td>A representative working group that will include representatives of the project, the project-affected communities and administrative representatives (i.e. representation from district, ward and village level) established in each affected region with the aim to ensure that all project-affected communities and persons are involved in all stages of the resettlement process. They will play an important role in the sensitisation and mobilisation process of communities by encouraging their participation in various surveys and other resettlement activities. The resettlement working group (RWG) will also be used to disseminate and collect information on the resettlement process.</td>
</tr>
<tr>
<td>Responsible party</td>
<td>Assigned individual(s) who has the authority or expertise to define and take corrective action to resolve a grievance.</td>
</tr>
<tr>
<td>Right-of-way</td>
<td>A legal right of passage over another person’s ground or a piece of land with limited and specific uses that is conveyed to another party through a right-of-way grant by a current or past property owner. It is in most cases used to construct, maintain, operate, protect and inspect certain infrastructure. The right-of-way agreement creates a permanent limited interest in the land. Rights-of-way vary in width and must be kept free of buildings, trees, storage materials and other obstructions.</td>
</tr>
<tr>
<td>Social license to operate</td>
<td>Refers to local communities’ level of acceptance or approval of a project and its related activities. The more a project aims to maximise the practice of good corporate citizenship, the greater acceptance of the project by local communities and governments.</td>
</tr>
<tr>
<td>Socio-economic baseline</td>
<td>A baseline record of land use activities within the project footprint as well as the socio-economic characteristics of individuals and communities’ dependent on the land prior to the commencement of the land acquisition process, as well as host communities that will potentially be impacted by the Project.</td>
</tr>
<tr>
<td>Squatter</td>
<td>A person who has settled on public/government land, land belonging to institutions, trust, etc. and or someone else’s land illegally for residential, business and or other purposes and/or has been occupying land and building/asset without authority.</td>
</tr>
<tr>
<td>Stakeholder</td>
<td>Individual or groups of people who are directly or indirectly affected by a project, as well as those who may have interests in a project. They may have the ability to influence the outcome of the project, either positively or negatively.</td>
</tr>
<tr>
<td>Temporary impact</td>
<td>Impact expected during implementation of the project in the form of earth spoil, tremors and vibrations, etc. affecting land and structure or loss of access.</td>
</tr>
<tr>
<td>Tenant</td>
<td>A person who holds/occupies land-/structure of another person and (but for a special contract) would be liable to pay rent for that land/structure. This arrangement includes the predecessor and successor-in-interest of the tenant but does not include mortgage of the rights of a landowner or a person to whom holding has been transferred; or an estate/holding has been let in farm for the recovery of an arrear of land revenue; or of a sum recoverable as such an arrear or a person who takes from Government a lease of unoccupied land for the purpose of subletting it.</td>
</tr>
<tr>
<td>Unauthorised occupant</td>
<td>Person occupying public land for livelihood purposes, cultivation, shop but not living there and not having any adjacent land to the affected parcel of land.</td>
</tr>
</tbody>
</table>
### Term | Definition
--- | ---
**Valuation** | The valuation of project-affected assets according to set compensation rates and schedules.
**Village** | A group of people/households who interact with each other and share an environment within well-defined cultural and geographic margins. In rural areas in Malawi, villages constitute the second-smallest administrative division (the smallest being hamlets).
**Vulnerable persons** | People who, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status in the context of the project, may be more adversely affected by displacement than others and who may be limited in their ability to re-establish themselves or take advantage of resettlement assistance and related development benefits. They may include people living below the poverty line, the landless, the elderly, women- and children-headed households, ethnic minorities, communities dependent on natural resources or other displaced persons who may not be protected through national land compensation or land titling legislation.

### Acronyms and Abbreviations

<table>
<thead>
<tr>
<th>Abbreviations or Acronyms</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADC</td>
<td>Area Development Committee</td>
</tr>
<tr>
<td>CBO</td>
<td>Community Based Organisation</td>
</tr>
<tr>
<td>CDC</td>
<td>Community Development Committee</td>
</tr>
<tr>
<td>CLO</td>
<td>Community Liaison Officer</td>
</tr>
<tr>
<td>CRD</td>
<td>Community Relations Department</td>
</tr>
<tr>
<td>CRM</td>
<td>Community Relations Manager</td>
</tr>
<tr>
<td>CV</td>
<td>Chief Valuer</td>
</tr>
<tr>
<td>DC</td>
<td>District Commissioner</td>
</tr>
<tr>
<td>DDP</td>
<td>District Development Plan</td>
</tr>
<tr>
<td>DEC</td>
<td>District Executive Committee</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>EPs</td>
<td>Equator Principles</td>
</tr>
<tr>
<td>ER</td>
<td>Environmental Representative</td>
</tr>
<tr>
<td>ESIA</td>
<td>Environmental and Social Impact Assessment</td>
</tr>
<tr>
<td>ESMP</td>
<td>Environmental and Social Management Plan</td>
</tr>
<tr>
<td>GoM</td>
<td>Government of Malawi</td>
</tr>
<tr>
<td>Ha</td>
<td>Hectare</td>
</tr>
<tr>
<td>HHs</td>
<td>Households</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome</td>
</tr>
<tr>
<td>HSE</td>
<td>Health, Safety and Environment</td>
</tr>
<tr>
<td>I&amp;APs</td>
<td>Interested and Affected Parties</td>
</tr>
<tr>
<td>IFC</td>
<td>International Finance Corporation</td>
</tr>
<tr>
<td>IFC GN</td>
<td>International Finance Corporation Guidance Note</td>
</tr>
<tr>
<td>IFC PS</td>
<td>International Finance Corporation Performance Standards</td>
</tr>
<tr>
<td>IGP</td>
<td>International Good Practice</td>
</tr>
<tr>
<td>Km</td>
<td>Kilometre</td>
</tr>
<tr>
<td>km²</td>
<td>Square kilometre</td>
</tr>
<tr>
<td>LiDAR</td>
<td>Light Detection and Ranging</td>
</tr>
<tr>
<td>LRP</td>
<td>Livelihood Restoration Plan</td>
</tr>
<tr>
<td>M</td>
<td>Metre</td>
</tr>
<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
</tr>
<tr>
<td>MGDS</td>
<td>Malawi Growth and Development Strategy</td>
</tr>
<tr>
<td>MK</td>
<td>Malawian Kwacha</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental Organisation</td>
</tr>
<tr>
<td>PAC</td>
<td>Project-affected community</td>
</tr>
<tr>
<td>PAH</td>
<td>Project-affected household</td>
</tr>
<tr>
<td>PAP</td>
<td>Project-affected person</td>
</tr>
<tr>
<td>PS</td>
<td>Performance Standard</td>
</tr>
<tr>
<td>QA/QC</td>
<td>Quality Assurance Quality Control</td>
</tr>
<tr>
<td>RAP</td>
<td>Resettlement Action Plan</td>
</tr>
<tr>
<td>RWG</td>
<td>Resettlement Working Group</td>
</tr>
<tr>
<td>SEP</td>
<td>Stakeholder Engagement Plan</td>
</tr>
<tr>
<td>TA</td>
<td>Traditional Authority</td>
</tr>
<tr>
<td>ToR</td>
<td>Terms of Reference</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
</tr>
<tr>
<td>VDC</td>
<td>Village Development Committee</td>
</tr>
</tbody>
</table>
1. Introduction

Sovereign Metals (Sovereign) Ltd (the “Project Developer” and also referred to as the “Company”), through its wholly-owned Malawian registered subsidiary McCourt Mining Limited, is investigating the feasibility of the Malingunde Graphite Project (the “Project”), an open pit mining and processing project within the Central Region of Malawi, approximately 20 kilometres (km) west of Lilongwe (Figure 1-1). The Project, which is scheduled to commence in 2020, requires approximately 262 hectare (ha) of land to develop and operate the Project. This Project development area is also referred to as the exclusion zone (EZ); the area within which no activities other than mining-related activities will eventually take place. Sovereign plans to acquire the EZ during two phases, the majority of land (229 ha) will be acquired during the first phase and the remainder when land access is required for Phase 2 mining activities (32.8 ha). This strategy provides the opportunity to further investigate measures to minimise physical displacement, which is primarily associated with Phase 2 activities.

Sovereign currently holds four Exclusive Prospecting Licences (EPLs) for approximately 4 253 km² of land. The EZ is located within the EPLs, which provided access for the exploration and pre-feasibility investigations undertaken since 2015. Sovereign commenced feasibility studies in 2017 and commissioned an Environmental and Social Impact Assessment (ESIA) as required in terms of the provisions set out in the Malawian Environment Management Act of 2017. The ESIA commenced with the submission of the Project Brief to the Environmental Affairs Department (EAD) in June 2017, which was followed by submission of the Environmental Scoping Report (ESR) in June 2018. Subsequent to review of the ESR, the EAD directed Sovereign to also prepare a Resettlement Action Plan (RAP), as part of ESIA, to address project-induced displacement impacts. In addition to the ESIA application, Sovereign will also need to apply for a Mining Licence, which requires permanent acquisition and conversion of all surface land rights. Current indications are that acquisition of land within the EZ will result in substantial physical and economic displacement impacts (Section 1.2).

The Malawian legislative framework requires that the RAP should deal with displacement impacts in fair and just manner; however, as Sovereign may apply for financing from international funding institutions, such as the International Finance Corporation (IFC), which means that the RAP will need to satisfy additional requirements. The IFC requires funding applicants to adhere to a suite of qualifying principles and performance standards, which includes IFC Performance Standard (PS) 5 on Land Acquisition and Involuntary Resettlement. IFC PS 5 requires Developers to commission a RAP, which sets out the suite of actions that will be implemented by the Developer to address physical and economic displacement impacts in manner that will ensure that displaced people are not worse off as result of displacement.

This document represents a draft RAP prepared in response to national and international requirements. The RAP sets out planning activities for both Phase 1 and 2 activities. The draft status of this RAP derives from the fact that it has not yet been disclosed to, or approved by, affected households and other relevant stakeholders (e.g. District and Regional Authorities). Steps required to finalise and implement the RAP are defined in Chapter 4, which includes updating and/or amending the RAP in light Phase 2 land acquisition activities. The timing of Phase 2 will be based on outcomes.
of discussions with communities, government officials and all other relevant parties. Sovereign plans to transition into Phase 2 with plans being formulated so that this causes as little disruption to communities as possible, especially through physical displacement.

Figure 1-1: Regional locality
1.1 Objective and Purpose

In facilitation of the successful execution of the Project, the overarching goal for land acquisition and resettlement planning is to pursue investable and bankable land arrangements for the Project, while also adhering to national legislative requirements. In order to achieve this goal, the following objectives have been set for the RAP:

- Develop and implement a fair, transparent and negotiated compensation agreement in full partnership with affected parties and other stakeholders;
- Ensure consistency in implementing resettlement and compensation activities;
- Restore livelihoods affected by the Project; and
- Ensure that vulnerable people receive additional assistance when required.

The purpose of the RAP is to set out the measures that Sovereign have taken and will continue to take to (a) achieve the aforementioned objectives, i.e. measures to mitigate adverse effects, compensate losses, and provide development benefits to persons and communities experiencing project induced displacement impacts and (b) ensure timely access to land earmarked for the Project, while maintaining compliance with Malawian legislation and applicable international lender requirements.

1.2 Summary of Displacement Impacts

Table 1-1 below summarises the magnitude of displacement which will result from acquiring and clearing land comprising the exclusion zone. It's evident that the Project will result in substantial physical and economic displacement, which would be more severe for vulnerable households. The Table highlights that although the majority of land will be acquired during Phase 1, Phase 2 activities will likely result in the bulk of physical displacement.

In addition, land acquisition is expected to impact on host communities as physically displaced households could be relocated to other locations within villages in which they currently reside, or other nearby villages where their family resides. Where replacement farmland is required, a similar approach would be followed, due to scarcity of vacant land.
Table 1-1: Summary of individually-owned resettlement-affected assets

<table>
<thead>
<tr>
<th>Impact category</th>
<th>Phase 1 (229ha)</th>
<th>Phase 2 (32ha)</th>
<th>Total (262ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Structures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total numbers of structures that will be lost</td>
<td>45</td>
<td>322</td>
<td>367</td>
</tr>
<tr>
<td>Total number of household owning structures</td>
<td>12</td>
<td>111</td>
<td>123</td>
</tr>
<tr>
<td>Households facing physical displacement as result of loss of primary residence</td>
<td>9</td>
<td>90</td>
<td>99</td>
</tr>
<tr>
<td>Structures used for business/economic purpose</td>
<td>0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Customary Land</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of fields that will be lost (entirely or in part)</td>
<td>499</td>
<td>84</td>
<td>583</td>
</tr>
<tr>
<td>Total number of household owning affected fields</td>
<td>448</td>
<td>75</td>
<td>523</td>
</tr>
<tr>
<td><strong>Communal infrastructure facilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borehole/wells</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Churches and Mosques</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Primary School</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Area used for collecting traditional medicine</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Community and public roads</td>
<td>Various</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trees &amp; crops</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total number of economic trees</td>
<td>2368</td>
<td>4387</td>
<td>46255</td>
</tr>
<tr>
<td>Households losing seasonal crops</td>
<td>0 (assuming harvest prior to acquisition)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss of access to natural resources</td>
<td>Limited</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Graves</strong></td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Sacred or spiritual sites</strong></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

1.3 Scope of the RAP

The scope of the RAP is based on Project design parameters as of January 2019, and any subsequent design changes that may require a change in the scope of the RAP will be addressed as an amendment to this RAP, including any revisions to Phase 2 land acquisition activities to further minimise and/or avoid displacement. Information presented in the RAP is based on the findings of the stakeholder engagement processes and asset survey undertaken by AECOM and C12 Consultants. The terms of reference (ToR) issued to AECOM specify that the RAP must comply with Malawian legislation, and international best-practice standards, specifically, IFC PS 5. Consequently the scope of this RAP is to establish and describe:

- All people, households and communities affected by project-induced physical and/or economic displacement;
- Eligibility criteria for affected parties;
- Rates of compensation for lost assets;
- Levels of assistance for relocation and reconstruction of affected homesteads;
- Measures to reinstatement livelihoods of affected persons and households;
- Alternatives that could be considered to minimize or avoid displacement;
- Roles and responsibilities to compile and undertake actions required to complete the RAP; and
- Actions required post-approval of this RAP to implement and monitor land acquisition, compensation and livelihood restoration commitments made herein.
1.4 Institutional Roles and Responsibilities

As the Project proponent, Sovereign holds responsibility for ensuring that all aspects of this RAP, and any subsequent amendments, are implemented and monitored. Sovereign will work together with the local and regional government authorities to co-ordinate Project activities. Given that the Project will involve a relatively large resettlement component, recommendations are made in this RAP around strengthening the institutional base of especially District institutions, and the development of Project-specific support structures to assist in project implementation, with the recognition that the ultimate responsibility rests with Sovereign.

1.5 Plan Content

The remainder of this Plan is structured as follows:

- Chapter 2 places the need for resettlement in context by providing a brief background and descriptive information about the Project;
- Chapter 3 defines the legal and policy requirements to which the resettlement process must comply, as well as the administrative framework that will come into play during RAP implementation;
- Chapter 4 defines the process to be followed during land acquisition, and resettlement and compensation, beginning with the steps to be implemented during development of RAPs, and continuing to the steps involved in their subsequent implementation;
- Chapter 5 provides a baseline socio-economic profile of the resettlement-affected households and the environment in which they are situated;
- Chapter 6 identifies the nature and magnitude of displacement impacts that will likely result from the Project;
- Chapter 7 defines the compensation principles and entitlements for resettlement-affected assets to ensure that compensation for or replacement of lost assets will be fair, just and equitable;
- Chapter 1 defines measures for restoring livelihoods and income-generation activities where these have been significantly disrupted;
- Chapter 9 documents the process by which project-affected parties were involved and consulted in the resettlement planning process, and identifies the consultation required for the finalisation of the RAP;
- Chapter 10 identifies potential resettlement sites for physically-displaced households, and delineates plans for developing such sites;
- Chapter 11 identifies the relevant role-players in resettlement implementation, and defines the roles and responsibilities of these role-players;
- Chapter 12 establishes the means to effectively address grievances raised by the affected communities during and after the resettlement and compensation process;
• *Chapter 13* defines suitable mechanisms to monitor and evaluate resettlement and compensation process; and

• *Chapters 14* provides an indicative programme, time schedule and cost estimate for resettlement implementation
2. **Project Description**

This Chapter serves to provide relevant introductory information about the Project, and considers the Project's background, location, mining methods, and land requirements. The ESIA report for the Project includes a detailed description of the Project and associated activities (AECOM, 2019). What follows is a summary of Project activities that may have direct implications for the RAP.

2.1 **Project Background and Location**

Sovereign identified the Malingunde saprolite-hosted graphite deposit in 2015, which was confirmed as the world's largest known deposit of its kind in 2016. Sovereign completed pre-feasibility studies on the Project in 2018, which established that the resource offers a technically and economically robust, low risk pathway to production of premium quality, coarse flake graphite. Current indications are that the Project will be developed as an open pit mining and processing project, requiring access to a development area (exclusion zone) of approximately 2.75 km$^2$ in the Lilongwe District, approximately 20 km south-west from Lilongwe City, more specifically within the administrative jurisdiction of the Masumbankhunda Traditional Authority.

2.2 **Land Use and Tenure**

Land within the exclusion zone is relatively flat in terms of its topography and is classified customary land under the administration the Masumbankhunda Traditional Authority. The majority of land has been transformed to accommodate agro-pastoral and rural residential land uses practiced by households from nearby villages, which are depicted in Figure 2-1 below. The community is predominantly dependent on land-based livelihoods with subsistence farming of beans, rice, maize, cassava and other crops. The Project also includes pockets of public land, which hosts a primary school, Catholic church, mosques, public roads, as well as water and electrical infrastructure.

Acquisition will require consultation between the Traditional Authorities and government represented by the District Commissioner for Lilongwe, as well as custodians of public land. The Land Act Cap. 57:01 allows for government to acquire land, including the transfer of customary land to public and private land should it be of public interest and for the benefit of society. Any person that suffers disturbance or loss as a result of the acquisition shall be compensated and it is Sovereign's intention that no person shall be worse off as a consequence of the relocation and minimise impact on livelihood and wellbeing.
Figure 2-1: Villages in the vicinity of the Project Area
2.3 Mining Method and Schedule

The proposed mining method will involve conventional truck and shovel mining operation. Mining is considered free-dig for this style of shallow, saprolite-hosted graphite mineralisation. Truck and shovel mining is used throughout the region for open pit mining operations and is a robust, easily implementable approach. The mining schedule indicates a life of mine of 15 years, which can be extended significantly by processing lower grade material from the large resource base, or by discovering additional high-grade resources within reasonable trucking distance to the proposed processing plant. Current indications are that material from the northern-west zones 1 and 2 will be mined first (Phase 1) followed by the central zones 3 and 4 and finally the south-east zone 5 (Phase 2). A three-month pre-stripe of 190k waste tonnes is required in order to provide sufficient material to construct the initial tailings storage facility (“TSF”).

2.4 Site Access and Services

The Project site is serviced by a bitumen road stemming of from the main M1 highway to within 10km of the site where it transitions into an all-weather gravel road. The Project’s proximity to Lilongwe City negates the requirement for site accommodation during the operation mining phase. Additionally, product is only required to be hauled a short distance by road to the existing and underutilised operational intermodal rail siding at Kanengo, from where it can be transported to Nacala Port in Mozambique. The Project plans to utilise diesel generators for power in the early years and then connect onto the 132/11kV substation which is planned to be constructed by the Malawi Electrical Supply Corporation (“ESCOM”) near Bunda, 10km to the east of Malingunde in 2024.

2.5 Land Requirements and Displacement Impacts

This Section describes the land and land rights required by Sovereign to develop and operate the Project. It also provides an overview of displacement impacts resulting from land acquisition.

2.5.1 Land Rights Requirements

Sovereign’s primary requirement for the land acquisition and resettlement planning process is that it should ensure investable and bankable rights to the land acquired for the Project, while adhering to relevant national legislative requirements. More specifically Sovereign requires land rights, which:

- Are free from third party interest;
- Represent the strongest available title;
- Obtained for the entire duration of the Project and/or as long as needed for the relevant construction and other Project activities;
- Allow uninhibited implementation of the Project;
- Are in a form which ensures that the Sovereign is the full owner of all Project components;
• Have been obtained on fair, transparent, legally enforceable and clear commercial terms and conditions in favour of the Company;
• Allows the Project’s lenders to take legal, valid and enforceable first priority security over the land rights for the Project and its components; and
• Have been acquired through processes which have been undertaken in compliance with national legislation and applicable international standards (e.g. IFC PS 5)

It is assumed that all land for the Project needs to be acquired and consolidated on a permanent basis. It is also assumed that any construction facilities such as quarries and laydown or storage areas will be located within the EZ, negating any need for temporary land acquisition.

The Project acknowledges that land categories found within the Project area will only be made available upon conversion of public or customary land to private land, which could ultimately be transferred to Sovereign.

In addition, the Project recognises that there are certain crossing arrangements on the required land (e.g. S124 roadway, transmission lines, water pipelines etc.) and that there will need to be various discussions and agreements between the Project and the relevant persons and/or institutions in respect of access and any shared utilisation. The proposed land acquisition process presents the current understanding of the principles which will govern access and shared use but does not account for such detailed discussions and agreements at this stage.

2.5.2 Land Access Requirements and Schedule

Current indications are that Sovereign’s mining licence application will be for an EZ of approximately 2.62km² of land for a duration of 15 years. Acquisition of this land will follow a two phased process, with the timing of the second phase to be subject to discussions with communities, Government officials and all other relevant parties at which point this RAP will be updated if deemed neccesary. The displacement impacts resulting from each Phase is accounted for and addressed by this RAP.
2.6 Interdependencies Between Resettlement Planning and Other Project Processes or Plans

The table below highlights interdependencies between resettlement planning and implementation and other aspects of Project planning.

Table 2-1: Interdependencies between Resettlement Planning and other processes/plans

<table>
<thead>
<tr>
<th>Plan</th>
<th>Linkage/Dependency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Licence Application</td>
<td>The Mines and Minerals Act Cap.  (61.01) stipulates that the Mining Right Application should include an EIA. For the purpose of this Project the Environmental Affairs Department (“EAD”) of Malawi determined, based on the nature and scale of the activities, that an ESIA inclusive of RAP is required. The Application should be accompanied by a plan detailing the area for which the license is sought; this area should not be in excess of the area reasonably required to carry out that program. This area will be informed by ESIA and RAP studies.</td>
</tr>
<tr>
<td>Feasibility and Detailed Design</td>
<td>The detailed design of the Mine will provide confirmation of the Project land requirements and when access will be required. International standards require that design aims to avoid, and where avoidance is not possible, to minimise displacement. Consequently baseline work undertaken as part of the RAP and SIA to identify potential displacement impacts should inform the detailed design studies.</td>
</tr>
<tr>
<td>ESIA</td>
<td>The ESIA is currently underway with reference to applicable Malawian and international environmental and social permitting and baseline requirements for the Project. Collection of environmental data and a number of baseline studies were completed by July 2018 and documented in the ESR. The final ESIA report is expected to be submitted to the EAD during the second quarter of 2019. The ESIA will inform the final design of the Project footprint, including establishment buffer zones to avoid impacts (e.g. noise, dust, etc..). The Land access process needs to reflect any additional land requirements or restrictions over land use resulting from the ESIA findings. Consequently the valuation, compensation and land acquisition process can only be completed once the project footprint have been finalised.</td>
</tr>
<tr>
<td>Land valuation and compensation process</td>
<td>The process requires announcement and demarcation of the area to be acquired for the project and can therefore only commence once the Project footprint has been finalised.</td>
</tr>
<tr>
<td>Sovereign corporate approval processes</td>
<td>Certain details required for completion of the RAP are dependent on approvals within Sovereign. These decisions often precede the initiation of detailed engineering design, project planning and the scheduling of activities</td>
</tr>
</tbody>
</table>
3. **Legal, Policy and Institutional Framework**

This RAP takes into account the existing legal, policy and institutional framework. Applicable laws with relevance to land acquisition, land ownership and resettlement planning, are discussed in Section 3.1, while Section 3.2 describes the institutional and administrative framework tasked with regulating these laws. This is followed by Section 3.3 which presents international best practice guidelines considered during the development of the RAP. A summary of gaps between national legislation and the IFC’s PS 5 are considered in Section 3.4, which also provides measures to address these gaps.

### 3.1 Malawian Legal and Policy Framework

The legal and policy framework for resettlement in Malawi is drawn from the Constitution of the Republic of Malawi, the Malawi National Land Policy and various pieces of legislation. New relevant legislation have recently been assented into law and came into operation on dates appointed by the Ministry of Lands, Housing and Urban Development (MoLHUD) by notice in the Gazette. It should be noted that regulations specifying the implementation of new pieces of legislation were not yet published at the time of writing this Report; consequently these Acts are not yet fully operational. For the purpose of this report, reference is made to both the old and new legislation, as appropriate. Laws and policies considered in this section are listed in Table 3-1 which also indicates the category and status of relevant legislation.

#### Table 3-1: Laws and policies relevant to resettlement and compensation

<table>
<thead>
<tr>
<th>Category</th>
<th>Legislation / policy</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land laws</td>
<td>Land Act Cap.57:01 (1965)</td>
<td>Repealed</td>
</tr>
<tr>
<td></td>
<td>Land Act (2016)</td>
<td>Regulations pending</td>
</tr>
<tr>
<td></td>
<td>Customary Lands Act (2016)</td>
<td>Regulations pending</td>
</tr>
<tr>
<td></td>
<td>Registered Land Act (1967)</td>
<td>Fully implemented</td>
</tr>
<tr>
<td></td>
<td>Registered Land (Amendment) Act (2017)</td>
<td>Regulations pending</td>
</tr>
<tr>
<td>Land acquisition laws</td>
<td>Lands Acquisition Act (1970)</td>
<td>Fully implemented</td>
</tr>
<tr>
<td></td>
<td>Lands Acquisition (Amendment) Act (2016)</td>
<td>Regulations pending</td>
</tr>
<tr>
<td></td>
<td>Public Roads Act (1962) as amended</td>
<td>Fully implemented</td>
</tr>
<tr>
<td></td>
<td>Public Roads (Amendment) Act (2017)</td>
<td>Regulations pending</td>
</tr>
<tr>
<td></td>
<td>Local Government Act (1998)</td>
<td>Fully implemented</td>
</tr>
<tr>
<td></td>
<td>Local Government (Amendment) Act (2016)</td>
<td>Regulations pending</td>
</tr>
<tr>
<td></td>
<td>Physical Planning Act (2016)</td>
<td>Regulations pending</td>
</tr>
<tr>
<td>Land survey laws</td>
<td>Land Survey Act (1955)</td>
<td>Repealed</td>
</tr>
<tr>
<td></td>
<td>Land Survey Act (2016)</td>
<td>Regulations pending</td>
</tr>
<tr>
<td>Mining-related &amp; Environmental Laws</td>
<td>Mines and Minerals Act (Cap. 61:01) (2012)</td>
<td>Fully implemented</td>
</tr>
<tr>
<td></td>
<td>Environmental Management Act (2017)</td>
<td>Fully implemented</td>
</tr>
<tr>
<td></td>
<td>The Water Resources Act (2013)</td>
<td>Fully implemented</td>
</tr>
<tr>
<td></td>
<td>Forestry Act (1997)</td>
<td>Fully implemented</td>
</tr>
<tr>
<td></td>
<td>Forestry (Amendment) Act (2016)</td>
<td>Regulations pending</td>
</tr>
<tr>
<td></td>
<td>Monuments and Relics Act (1991)</td>
<td>Fully implemented</td>
</tr>
</tbody>
</table>
3.1.1 The Constitution of the Republic of Malawi

The 1994 Malawian Constitution provides a number of safeguards and directives regarding the manner in which property rights and resettlement should be managed, since these affect human rights and welfare of the people of Malawi.1 Section 28 of the Constitution provides for the right to property and prohibits arbitrary deprivation of any person’s property whether by a public or private entity. Section 29 gives every person the right to pursue economic activity or livelihood anywhere in Malawi. These provisions are complimented by the right to development (section 30). In particular, this provision imposes a duty on the state to protect and facilitate the realisation of social, cultural, economic and political development. In this regard, the state is required to take measures to ensure the realisation of the right to development, including facilitating “equality of opportunity for all in their access to basic resources, education, health services, food, shelter, employment and infrastructure”. Further, the state is required “to introduce reforms aimed at eradicating social injustices and inequalities”. Section 44(4) states that “expropriation of property shall be permissible only when done for public utility and only when there has been adequate notification and appropriate compensation provided, and given that there shall always be a right to appeal to a court of law”.

These provisions have important implications for the policy and practice of resettlement in Malawi. The Constitution prohibits arbitrary taking of property; thus, although legislation, such as the Land Acquisition Act and the Public Roads Act provide for land to be acquired for public interest, the Constitution demands fairness and due process, and requires that appropriate compensation is provided (section 44).

The Constitution also requires that resettlement of people and communities must respect the social, economic, cultural and political interests of those displaced. This RAP must thus consider, in addition to livelihoods, a number of socio-economic rights that enable displaced persons to lead meaningful lives in accordance with their cultural and political context.

3.1.2 Principal National Policies

3.1.2.1 National Land Policy of 2002

The goal of the National Land Policy in Malawi is to ensure security of tenure and equitable access to land in accordance with section 28 of the Constitution, as well as to facilitate the attainment of social harmony and broad-based social and economic development through optimum and ecologically balanced use of land and land based resources.

Section 5 provides for land administration and resettlement. The definition of “land administration” in the policy is broad and includes the delivery of land rights, the planning of land uses, demarcation and survey of land parcels, and the registration and maintenance of land information. It also includes conveyance, policies to facilitate decisions on mortgages and investment, development management,

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1 The right to dignity accorded to every Malawian in section 19 of the Constitution requires that those exercising property expropriations must treat affected individuals and families with respect and dignity. In addition, persons exercising political and legal authority are required to do so in the interest of the people of Malawi and recognise and protect the rights and interests of women, children and other minorities, as provided for in sections 12 and 13 of the Constitution.
property valuation for assessment purposes, and monitoring the environmental impact of all land-based activities.

The policy recognises that there are several institutions and statutory agencies dealing with land, which could result in confusion over jurisdiction and inadequate policy intervention. Accordingly, the principal authority responsible for land matters should be the ministry responsible for lands.

Sections 5.19 to 5.22 deal with land redistribution and resettlement. It focuses on the acquisition of land for redistribution to the landless, and also for promoting a strategy to encourage the resettlement of landless and land-short households in carefully selected areas throughout the country to relieve land pressure and poverty in some of the most congested agricultural districts.

On relocation of displaced people, the policy advocates adequate consultations between the District Commissioner’s office, Traditional Authority (TA) and the affected people so that their interests are adequately considered.

The policy recognises that to undertake any systematic redistribution and resettlement policy, the Ministry needs technical assistance and funding support. The policy further notes that relocation and resettlement would have to take into consideration the following factors:

- The principles of fairness, equity and human rights;
- The fact that people cannot be forced to relocate to any location without their consent and that individuals and households’ readiness to resettle in a different traditional area, district or region is a matter of personal choice;
- The fact that the potential disruption of social, cultural and economic existence may be traumatic enough to make the prospect of relocation untenable to some, and the prospect of leaving valuable immovable property is a cause for resisting relocation; and
- The amount of compensation settlers will require to be resettled.

Although the policy focuses on the redistribution of land to the landless and land poor, the principles and factors are applicable to relocation and land settlement in general. The policy provides a basis for the review and amendment of land legislation (promulgated in 2016) to ensure conformity with the goals and strategies of the policy.

3.1.2.2 Mines and Minerals Policy of 2013

The mines and minerals policy highlights the importance of mining to the future growth of the economy and outlines strategies for ensuring the development of the sector. Its objectives are:

- To promote the development of the mining sector, women in mining, as well as artisanal and small-scale mining;
- To contribute to socio-economic development of the country, as well as the country’s foreign exchange base;
• To optimise mining in Malawi to enhance value added elements to the sector, and create linkages with other sectors; and
• To expand employment opportunities in Malawi, and foster economic diversification.

Social issues are briefly considered in Chapter 6 of the policy. The identified issues associated with mining are:

• Inadequate empowerment of local people;
• Lack of articulated social responsibilities for mining companies;
• Disruption of families and social structures due to HIV/AIDS and other diseases;
• Gender inequality at the workplace;
• Child labour; and
• Compensation and resettlement of landowners and communities affected by mining.

A commitment is made in the policy that government will ensure that mining-related social issues, including relocation/resettlement, are adequately addressed.

3.1.3 Land Laws

Three main land laws are considered, two of which are new pieces of legislation (Land Act, 2016 and Customary Land Act, 2016). A comparison between the old and new land acts is provided in Table 3-2, followed by a more detailed consideration of each.
Table 3-2: Comparison between old and new land-related laws

<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Vests land into the President into perpetuity</td>
<td>Vest land into the Republic in perpetuity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Divides land into public, customary and private land</td>
<td>Divides land into public and private land only</td>
<td>Customary land is registered as private land apart from unallocated customary land, which is public land</td>
<td></td>
</tr>
<tr>
<td>Chiefs have delegated powers from the President to administer customary land according to prevailing customs in the area</td>
<td>Customary land committees have the delegated powers to manage the customary land but require the chief’s approval</td>
<td>Improves fairness and transparency of land allocation</td>
<td></td>
</tr>
<tr>
<td>Land appeals are heard by the next level of chief and ultimately the court</td>
<td>Appeals are addressed by the land tribunal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customary land cannot be registered</td>
<td>Establishes (1) TLMAs at chief level and (2) customary land can be registered individually or as customary estates</td>
<td>Strengthens land security rights</td>
<td></td>
</tr>
<tr>
<td>Compensation is only provided for improvements on the land, and not for the land itself</td>
<td>Compensation is provided for land itself as well as the developments on the land</td>
<td>Puts value on land, which can be used, among other, for collateral</td>
<td></td>
</tr>
<tr>
<td>Allows for the grant of freehold title</td>
<td>Freehold title cannot be granted, although persons with existing freehold titles can retain it</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.1.3.1 The Land Act Cap.57:01 (1965)

The Land Act Cap.57:01 (1965) deals with issues of land tenure, land transfer, land use and compensation. It recognises that every person has a natural dependency on land and that it is therefore important that government provides for secure tenure and equitable access to land as a means of achieving socio-economic development. Among other provisions, the Act divides land into three categories namely, public, customary and private land, and does not explicitly prohibit granting
of freehold title to any person. Chiefs have delegated powers from the Minister responsible for land matters to administer customary land according to prevailing customs of the area.

Section 8 of the Act vests all public and customary land in the president in perpetuity. Section 26 empowers the minister responsible for land matters to allow anybody to lease customary land, even without prior written consent of the chief. The Act does not provide for registration of customary land as private land, thus compromising land tenure security.

The Act also does not provide for payment of compensation in respect of customary land compulsorily acquired under the Lands Acquisition Act (Cap.58:04); compensation is only provided for improvements on the land and not for the land itself. Accordingly, many customary rights holders were negatively impacted with compulsory customary land acquisitions. However, since the Malawi National Land Policy was adopted in 2002, customary land has been compensated whenever it is acquired in the public interest or for private investments.

3.1.3.2 Land Act (2016)

The Land Act, 2016, is the current principal act with respect to land administration and management, and for all matters relating to land such as land tenure, land transfer, land use and compensation. It repealed the Land Act Cap.57:01 (1965) (section 3.1.3.1), and came into effect on 02 September 2016.

Land Administration

The Act vests all land administration responsibilities with a Commissioner of Lands, who may delegate any of his functions to an authorised officer (sections 3 – 4). In addition, the Minister responsible for lands may delegate any of his powers and duties to the Commissioner. Sections 6 and 8 reiterate the Constitutional provisions that all land is vested in perpetuity in the Republic.

General

Section 7 recognises two categories of land, namely public and private land. Public land includes government and unallocated customary land, whereas private land includes freehold, leasehold or customary estate land. 2

Section 9 revokes the allocation of land under freehold title. Section 10 considers land ownership by body corporates not incorporated in Malawi or empowered to hold land in Malawi, while section 11 pertains to land designated for investment purposes.

Section 12 permits the Minister to make and execute grants, leases or other dispositions of public land and allows for rack rent for each lease of said public land. 3 Section 14 details the procedure in the event of non-payment of the aforementioned rent.
Public land

The Act defines public land as held in trust for the people of Malawi and managed by government, a local government authority or a TA, and includes:

- Any land held by government or a local government authority on the termination, surrender or falling in of any freehold or leasehold estate;
- Land acquired and privately owned by government or a local government authority used for dedicated purposes such as government buildings, schools, hospitals and public infrastructure;
- Land gazetted for national parks, recreation areas, forest reserves, conservation areas, historic and cultural sites;
- Land vested in government as a result of uncertain ownership, abandonment or land that cannot be used for any purposes; and
- Unallocated and communal land within the boundaries of a Traditional Land Management Area (TLMA).

Section 17 enables the Minister to acquire unallocated customary land for public utility purposes.
Section 18 provides that any person who suffers disturbance of, or loss or damage to any interest which he may have or may have had in such land, should be paid compensation as is reasonable.

Private land

Private land is defined as all land which is owned, held or occupied under a freehold or leasehold title, as a customary estate or which is registered as private land under the Registered Land Act (as amended).  

Section 21 enables the Minister, upon application by any person, to grant or allocate leasehold or customary estate on terms and conditions as he may determine; however, according to section 22 he cannot grant freehold title.

Section 24 stipulates that all developments to be made on private land are subject to a grant of development permission from the planning committee or the Commissioner for physical planning, if required under the Physical Planning Act, 2016.

Section 26 provides permission for the Minister to access private land to explore for minerals, oil deposits and other valuable earth (gravel, stone, chalk, sand), provided that he does no wilful damage and offers the land lessee reasonable compensation for actual damage.

Sections 27 – 29, 32, 33 considers rent payable by the lessee of private land, while sections 30 – 31 deals with the termination of a lease. Section 34 stipulates the manner in which notices under the Act should be served to a lessee.

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4 Freehold is defined as an estate which is held in perpetuity and a lease includes an agreement for lease
Section 36 places restrictions on a person to sell or otherwise to convey, lease, transfer or assign any private land without prior written consent of the Minister or local government authority. The granting or refusal of consent must be communicated to the person who intends to sell within 30 days of receipt of the written notice.

The Act provides restrictions on grants and sale of private land to persons who are not citizens of Malawi. Section 37 provides that any grant of private land to a person who is not a citizen shall not be for an estate greater than a lease of fifty years, unless a greater estate is required for the realisation of investment. Section 38 provides that a person shall not sell any private land to a person that is not a citizen of Malawi before offering such land for sale to citizens. For such a sale to take place, a number of administrative steps have to be taken.

Section 39 provides that where a holder of private land under freehold title has not developed the land and not shown his intention to develop or dispose of it within 2 years from the date of registration, the minister may demand voluntary surrender of that land to the government and if there is no voluntary surrender, the minister may acquire the land under the Lands Acquisition Act and its 2016 Amendment or exercise powers under section 64 of the Physical Planning Act, 2016.

**Land Users**

Sections 41 – 44 pertain to the minister’s power to regulate, manage or control the use of land that is not categorised as public or private.

**Trespass, Encroachment Upon, or Unlawful Occupation**

Section 45 enables a magistrate with relevant jurisdiction, upon complaint by a person claiming to have lawful title to the land, to issue summons against an alleged trespasser, encroacher, or unlawful user or occupier (defendant) requiring him to attend court. If the magistrate is satisfied the defendant has trespassed, encroached or unlawfully occupied the magistrate may make an order requiring the defendant to vacate land within 7 days or longer, depending on several factors:

- How long it would take the defendant to take down or remove structures, buildings, fences or improvements of any kind erected on the land; and
- How long it will take the defendant to harvest, collect, take in or remove crops, plants, trees and shrubs.

Failure to comply with the court order could lead to forced removal by an authorised officer, police officer or officer of the court. The Act emphasises the fact that procedures under Part VII must be in accordance with the Courts Act.

**Miscellaneous**

Section 48 provides that if the classification of land as public or private is questioned, a certificate signed by the Minister on the matter will be *prima facie* proof of the classification of land in question.
Section 49 requires that any person involved in a land transaction should disclose proof of his / her Malawian citizenship.

Section 50 reiterates that the minister may delegate his powers or duties under this Act to an authorised officer, and that this officer shall, in exercising his powers under the Act, consult with and take into account the views of the commissioner for physical planning in all matters pertaining to the use or development of leased land.

Section 51 repeals the Land Act Cap.57:01 (1965), and states that any grant, right of occupancy, disposition, permit or licence made, issued or given under the repealed Land Act will remain valid and have effect as if made, issued or given under the current Act.

3.1.3.3 Customary Lands Act (2016)

The Act provides for the management and administration of traditional land, and repeals the Customary Land (Development) Act and the Local Land Boards Act.

Administration and Management of Customary Land

Section 3 specifies that customary land consists of:

- Land within the boundaries of a TLMA other than Government or reserved land;
- Land designated as customary land under the Land Act of 2016;
- Land that has been demarcated as traditional land under any written law or administrative procedure in force at the time before the Act; and
- Land over which a land committee has claimed jurisdiction.

The Commissioner is required to issue a certificate of customary land for every TLMA with demarcated or agreed boundaries. The certificate is issued in the name of the TA, confers the land management function on the land committees in that area and affirms the occupation and use of customary land by the persons in the TLMA in accordance with the customary law applicable to land in that area. The Commissioner is also required to maintain a register of all TLMAs.

Section 4 vests the management of customary land in TLMA's in the Land committees, as per section 5 of the Act. These committees are to be at Group Village Headman (GVH) level and their main function is to manage customary land within their area of jurisdiction, on trust, as if the committee were a trustee of the land and the villagers were beneficiaries (section 6). The committee is required to regard sustainable development, the views / decisions of a public authority with the appropriate jurisdiction, as well as the views of other local government authorities. The Act provides that the customary land committee may not allocate land or grant a customary estate without the prior approval of the relevant TA.

Each TLMA is to appoint a land clerk to serve as a secretary for the Land committee (section 8). His / her duties will include:
• In accordance with the Land Survey Act, 2016, required survey work, the compilation of a basic map for each TLMA, and maintain a register of land transactions that occur within the TMLA;
• In accordance with the Physical Planning Act, 2016, prepare land use plans; and
• Provide technical advice on land matters to the land committee, and monitor compliance with the Customary Land Act, 2016 and the Registered Land Act.

Section 10 pertains to mismanagement of customary land, and Sections 11 – 12 allows for customary land use agreements between TLMA’s as appropriate by virtue of traditional use of the land by different groups of people.

Section 13 divides TLMA into three categories:
• Land which is occupied or available for occupation and use on a communal or public basis (communal land);
• Land which is occupied or used by an individual or family or a group of persons under customary law; and
• Land which may be available for communal or individual occupation and use through allocation by a land committee.

The last two categories bulleted above may be made subject to the grant of a customary estate, and customary land under the last bulleted category may (in addition) be made the subject of a derivative right granted by a land committee.

Section 15 provides that if any customary land subject to a lease is occupied upon commencement of the Customary Lands Act, 2016, that that lease will remain valid for the duration of its term, and that the Commissioner will continue to be responsible for the management of these leases.

Transfers

Section 17 provides for procedures to be followed for the transfer of customary land in a TLMA to Government or reserve land for the public interest.

Grant and Management of Customary Estates

Section 20 provides for the grant of a customary estate and gives the land committees powers to allocate customary estate to citizens of Malawi and a partnership or corporate body, the majority of whose partners or shareholders are Malawian citizens. A customary estate will be for an indefinite estate, inheritable and transmissible by a will and liable (subject to adequate notification and prompt payment of full and appropriate compensation) to acquisition by Government in the public interest and in accordance with the Lands Acquisition Act. Sections 21 – 24 provide for the procedures for applying for a customary estate, necessary application forms to be completed, how a decision is reached and communicated to the successful applicant, conditions attaching to the grant and payment of fees and rent for the grant of the customary estate.
Section 25 provides that a lease or sublease may be granted out of a customary estate. According to section 28, all transactions involving customary estates during the first five years of registering and titling of estates shall be approved by a land committee and the TA in whose jurisdiction the land is situated. A customary estate may be surrendered under section 29 or considered abandoned under the provisions of section 34.

Dispute Settlement

Section 44 provides for the establishment of a customary land tribunal in each TLMA, and section 45 stipulates that a person aggrieved by a decision of said tribunal may appeal to a district land tribunal, created under section 46 of the Act. The presiding chairperson of the district tribunal will be the District Commissioner (DC), and include up to three TAs and three reputable people residing in the district, as well as the District Land Registrar.

A person who is aggrieved by a decision of this Tribunal can appeal to the Central Land Board, established under Section 38. This Board is presided over by a Resident Magistrate. Section 49 provides for land tribunals.

Miscellaneous

Section 51 provides that the land committee will maintain a register of customary land in a TLMA, and that a District Land Registry will be maintained by the District Land Registrar.

3.1.3.4 Registered Land Act (1967) and the Registered Land (Amendment) Act (2017)

The Act makes provision for the registration of title to land, and for dealings in land so registered. The Act has been amended several times since 1967, with the most current amendments being passed in 2017. The Amendment Act amends some provisions in the Registered Land Act, including new definitions of customary estate and land to ensure conformity with the Land Act, 2016.

Organisation and Administration

Section 5 requires that each land registration district will maintain a land register and application book and an index of names of proprietors of land, leases and charges. A Chief Land Registrar will be responsible for the maintenance of these documents (section 6) and other acts as prescribed in this Act (section 7).

The Land Register will comprise a register of all land required to be registered (in accordance with this Act), as well as leases and customary estates, while the Surveyor General will maintain a registry map of the area (section 15). A land clerk is responsible to deliver an Allocation Record to the Land Registrar, after which the register can be updated (section 11). Changes to the registry map can only be made upon written instruction from the Land Registrar (section 16). Section 20 requires that every land proprietor will maintain features which demarcate his boundaries.

Searches and Certificates
Section 29 allows for any person to inspect the land register and registry map, upon application in the prescribed form, as well as to obtain a certified copy of any register or part of the registry map. This will be considered proof of rights to land and is admissible in all land-related matters (section 30).

**Dispositions**

Section 31 stipulates that no land, lease or charge can be disposed of except in accordance with this Act and the Customary Land Act, 2016.

Sections 38 – 58 pertain to all aspects of land leases, while sections 60 – 78 deal with charges, and sections 79 – 88 with transfers of land, leases and charges.

**Transmissions, Trusts and Family Representation**

Sections 113 – 115 pertain to procedures to be followed upon the death of a land proprietor. Bankruptcy and liquidation are considered in sections 116 – 117, and trusts in sections 119 – 120.

**Prescription**

Section 135 prescribes the principles of possession of land, and stipulates that where it can be shown that a person has been in possession of land, or in receipt of the rent or profits from the land, he will be presumed to be in uninterrupted possession of the land, until the contrary can be shown. Conditions under which possession will be interrupted are also stipulated.

### 3.1.4 Land Acquisition Laws

#### 3.1.4.1 Lands Acquisition Act (1971) and the Lands Acquisition (Amendment) Act (2017)

The Lands Acquisition Act No.21 of 1970 was enacted to provide for the acquisition of land. The Lands Acquisition (Amendment) Act No.9 of 2017 has amended some provisions of the Act, the main one pertaining to compensation.

**Acquisition**

Section 3 of the Act, read with the Amendment Act, empowers the Minister responsible for lands to acquire land for public utility, either compulsorily or by agreement, and pay compensation as determined by the Act.

Sections 5 – 7 Act provide for the issuing of notices upon the persons who have an interest in the land identified for acquisition.

Section 9 (as amended) provides for the payment of compensation. It stipulates that where any land is acquired by the Minister under this Act, the Minister will pay appropriate compensation agreed or determined in accordance with the provisions of this Act. The Amendment Act further provides that compensation shall be paid in one lump sum; therefore, the assumption is that compensation shall only be monetary.
Section 10 pertains to the determination of compensation, and states that, unless otherwise agreed, an independent valuer is to calculate compensation based on the following:

- Loss of occupation rights, land, structures, and businesses;
- Loss or reduction of tenure;
- Relocation, nuisance and disturbances costs;
- Loss of goodwill; and
- Costs of professional advice.

Section 10A lists exclusive matters to be taken into consideration during the calculation of compensation, as well as exclusions.

Section 11 deals with the effect of compensation payments and states that a person who has been paid compensation cannot make further claims in respect of the land compensated for. However, this does not prevent any subsequent proceedings against the person to whom compensation was awarded by any person claiming to have a better right to the compensation or the right to a share thereof.

Reversion

According to section 12 of the Amended Act, when a notice to acquire land has been issued and published, the land shall revert to the Government as public land within two months of the publication of the notice. This Section of the Act empowers the Minister for lands to make and execute grants, leases or other dispositions of public land classified as Government land for any such estates, interests or terms and for such purposes and on such terms as and conditions as he may think fit.

Miscellaneous and General

Section 17 pertains to penalties for hindering or obstructing the land acquisition process in accordance with the Act, and categorises such activities as an offence punishable by imposing a fine or a period of imprisonment.

This Act has particular relevance for the implementation of resettlement, specifically the procedure to be followed to acquire land, and the manner in which compensation is calculated and paid.


The Public Roads Act (1962) covers the management of road reserves and streets. Section 10 deals with road reserves, and stipulates reserve widths between 18 and 60 meters, depending on the categorisation of the road (as a main, secondary, district or branch / estate road). It further states that if a highway authority wishes to carry out work on land within the reserve in a manner that may cause damage to the land, notice of one month will be given to the owner; three months’ notice is required if
the works may cause damage to a structure (as opposed to the land). The owner is entitled to claim compensation from the highway authority within three months of the damage. Use of existing road reserves is restricted in section 10(6), which prohibits erecting or altering a structure, planting a bush or tree, and preparing land for cultivation, unless written consent from the highway authority had been received. Without such consent, the owner is not entitled to claim compensation at the time the land is required for road use.

Section 11 lists the activities the highway authority is permitted to carry out, and includes the power to widen or divert any public road within the limits of the reserve, subject to directions from the Minister and payment of compensation in accordance with the Act. Section 25 sets out the procedure for the reservation of land once a road (or alterations to a road) have been demarcated.

Land acquisition and resettlement issues are outlined in part II of the Act. Section 44 provides for assessment of compensation, payable under the Act. Compensation covers surface and land rights of the owner or occupier of land. Section 45 provides for compensation for conversion of land into public use. In case of customary land, compensation is paid for disturbance to people in terms of possible relocation and loss of land. Section 49 and 50 provide opportunities for land owners or occupiers to appeal to the high court on grievances related to resettlement and compensation provided in accordance with this Act.

The relevance of this Act lies in the fact that the access road to the Project Area is a public road, with a declared road reserve. Some sections of the road may have to be widened or upgraded. This may result in temporary or permanent displacement. Additionally, clearing the road reserve of assets (structures, agricultural fields or trees) may be required from a safety perspective during the Project’s operation, which constitutes displacement.

3.1.4.3 Local Government Act (1998) and the Local Government (Amendment) Act (2017)

The Local Government Act, 1998, consolidates the law relating to local government. Section 34 provides for the acquisition of land by agreement. It states that that for the purpose of (a) any of its functions under this Act or any other written law, or (b) the benefit, improvement or development of its area, the Assembly\(^5\) may acquire any land, whether situated inside or outside its area. Subsection 2 of section 34 (as amended) provides that subject to the provisions of the Land Acquisition Act, the council may acquire land to be used for any of its functions.

The amendment Act provides that the council may dispose of land held by it in accordance with the Land Act, 2016 and the Registered Land Act, 1967 (as amended).

Section 65 requires that the assembly, at least once every five years, conducts a valuation of all assessable property in the local government area (LGA). Such a valuation should be undertaken by a registered valuer (section 67).

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\(^5\) This may be a District, Town, Municipal or City Assembly.
3.1.5 Development Laws

3.1.5.1 Town and Country planning Act (1998)

The Town and Country Planning Act, 1998, was the principal act regulating land use planning and physical developments in Malawi. The aims of regulating land uses and location of physical developments are listed as follows:

- To enhance orderly spatial physical growth of human settlements activities;
- To enhance optimum use of land and service infrastructures; and
- To protect and conserve fragile environmental systems in space.

The Act stipulates that these objectives can be achieved through guiding physical developments and controlling building uses in designated zones with regulated planning permissions. Section 40 prescribes environmental and socio-economic screening for medium to large scale development projects before they can be granted planning permissions under this Act. Normally, this screening is undertaken by local councils and developers of proposed large projects before they can be sanctioned under this Act. The Act recognises the need of appropriate compensation to land owners in case of compulsory acquisition of land for public interest (sections 63-65). This is in line with the provisions in the Malawi Constitution and the Malawi National Land Policy.

3.1.5.2 Physical Planning Act (2016)

The Physical planning Act, 2016, repeals the Town and Country Planning Act, 1988. It provides for physical planning and the orderly and progressive development of land in both rural and urban areas and for issues relating to the grant of permission to develop land and for other powers of control over the use of land.

Administration and Planning Authorities

The Act is administered by the Commissioner for Physical Planning (section 4), whose responsibilities include approving district and local physical development plans, and advising the Commissioner of Lands on the most appropriate use of land (section 5).

Section 8 provides for the establishment of the Physical Planning Council. In addition, local government authorities are to appoint a planning committee for its area of jurisdiction (at city of district level) (section 19), inclusive of a lands officer (LO), engineer, surveyor, agricultural officer, education officer, community development officer, public health officer, environmental officer, a member each from the area’s development committee and works committee, as well as a physical planner (section 20).

The Act provides for the development of national, district and local physical development plans (section 25, 29 and 33).
Development Control and Enforcement

Part V of the Act pertains to development control and enforcement of physical planning, and sets out the procedure to be followed when applying for development permission.

Land Acquisition and Compensation

Part VII of the Act deals specifically with the acquisition of land and compensation. It empowers the Minister to acquire any land (in accordance with the Lands Acquisition Act) it considered desirable or expedient in the interests of the implementation of any plan of the proper control and furtherance of development of any land under the Act (section 67). Section 68 sets out the principles and eligibility for compensation for land acquired for development purposes, while the Second Schedule of the Act sets out the method through which compensation must be calculated.

In the event of physical relocation and the need for a resettlement site, physical planners would have to be consulted to ensure that the development is aligned with plans required under this Act.

3.1.6 Land Survey Laws

3.1.6.1 Land Survey Act (1955)

The Land Survey Act, 1955, is a law "to make better provision for land surveys and the licensing and control of land surveyors and for matters incidental thereto and connected therewith" (repealed in 2016). A registered licensed land surveyor is the only person who can prepare plans, diagrams or maps that are used for registration of a land title or a deed. However, section 12 provides for persons other than licensed land surveyors to carry out surveys for specific uses. Any boundaries marked or demarcated by a land surveyor are lawfully established. The method and accuracy for establishing boundaries of pieces or parcels of land is not specified in the law but if measurement is made then certain procedures and precision must be applied. Therefore, boundary corners and lines may be either precisely defined by measurement (distances and directions between corners) or by reference to the monuments or markers placed or existing on the ground or by reference to adjoining land. Since colonial times, private land has traditionally been measured precisely by 'cadastral survey' although the concept of 'general boundaries' and the use of general index maps rather than detailed plans to describe land operated in areas is covered by the Registered Land Act.

3.1.6.2 Land Survey Act (2016)

The Land Survey Act, 2016 repeals the Land Survey Act, 1955. It provides for land surveys, the establishment of the Land Surveyors Registration Board, the licensing and control of land surveys, survey marks and boundaries and the establishment of the Malawi Geographic Information Council.
Administration

The Act is to be administered by the Surveyor General, supported by other qualified surveyors (section 1 – 3). These surveyors are required to carry out surveys on public land, as well as any land on behalf of the government, for grant, lease and easement purposes (section 4).

Land Surveyors Registration Board

Part III of the Act provides for the establishment of a Land Surveyors Registration Board, which is the sole authority for licensing and registering surveyors in Malawi. Section 13 allows the board to establish any number of committees it deems necessary to perform its functions and exercise its powers as prescribed by the Act.

Licensing, Registration and Duties of Surveyors

Section 27 stipulates that no person may engage in land surveying unless registered as a licensed surveyor under this Act. Section 41 requires that all survey data and records of surveys be deposited with the Surveyor General, and that it subsequently becomes the property of the government.

Section 42 requires that the Surveyor General be made aware of the intent to conduct an aerial survey in Malawi, at least 30 days prior to carrying out the survey. Copies of all data are to be submitted to the Surveyor General for quality control and archiving.

Survey Marks and Boundaries

Section 45 provides that a survey mark placed for the purposes of denoting boundaries will be deemed lawfully established, provided that it is in accordance with data held by the Surveyor General. Land owners are required to preserve and maintain these survey marks (section 50).

Malawi Geographic Information Council

Part VI of the Act provides for the establishment of the Malawi Geographic Information Council, and specifies its functions, including performing all functions for the implementation of this Act. The Council also holds the power to establish any number of committees it deems necessary (section 62).

Miscellaneous Provisions

Section 73 stipulates that any land survey data approved by the Surveyor General, will be admissible as prima facie evidence of its contents in all courts and judicial proceedings.

3.1.7 Mining-related and Environmental Laws


The Act defines the rules under which players in the minerals sector conduct business. The Act, which is currently under review, outlines the rights, duties and obligations of Government and of the exploration and mining investors as well as the applicable restrictions.
Ownership of Mineral rights under the Act is predicated on the principle of social trust whereby the entire property in, and control over minerals in land in Malawi are vested in the President on behalf of the people of Malawi subject to the Act. Section 120 empowers the president to acquire land required to secure the development or utilisation of mineral resources, provided that it is done in accordance with the Land Acquisition Act, 1970.

Section 105 the Act makes provision for the compensation for disturbance of rights of the lawful occupier of any land or damage to any crops, trees, buildings, stock, or works by a holder the authority of mineral rights or carrying on the operations. The compensation is required to be fair and reasonable according to the respective rights or interests of the lawful occupier concerned. However, the amount of compensation is totally left to the agreement of the parties. Only in cases where there is no such agreement may the commissioner make an assessment. Effectively this entails that the commissioner may only get involved if there is a dispute and a claim lodged by one of the parties.

Further any powers or agreements with respect to the granting of mineral rights to any person are reserved for the Minister subject to the Act. The Act prohibits disclosure of any mining information to a Third Party.

3.1.7.2 Environment Management Act (2017)

The Environment Management Act (EMA), 2017 repeals the EMA No. 23 of 1996. It provides the basic legal framework for protection and management of the environment of Malawi, as well the preparation of environmental and social impact assessments (ESIA) for prescribed projects. The EMA is administered by the Director for Environment Affairs in the EAD of the Ministry of Climate Change Management and Environment Affairs.

Although resettlement-related responsibilities lie primarily with the MoLHUD, it is not independent of the ESIA process. Accordingly, all project-related activities and studies will be conducted in accordance with the EMA.

3.1.7.3 The Water Resources Act (2013)

Water Resources Act, 2013 is the principal statute whose objective is to promote the management and use of the water resources of Malawi through, among others, the progressive introduction and application of appropriate standards and techniques for the investigation, use, control, protection, management and administration of water resources by government agents and the general public. The Act establishes a national water resources authority, whose powers and functions include;

- To develop principles, guidelines and procedures for the allocation of water resources;
- To monitor and occasionally reassess the national water policy and the national water resources master plan;
- To receive and determine applications for permits for water use;
- To monitor and enforce conditions attached to permits for water use; and
• To regulate and protect water resources quality from adverse impacts and to manage and protect water catchments.

Additionally, the National Water Resources Board regulates the locations of dams to minimise risks and conflicts among users of “dambo” land (shallow wetlands) and water resources.

The project is in proximity to the Kamuzu II reservoir and its watershed. Cognisance of this legislation is thus important to ensure that resettlement-related activities and compensation do not contravene any provisions in the Act, and is aligned with its objectives.

3.1.7.4 Forestry Act (1997) and the Forestry (Amendment) Act (2017)

The Forestry Act, 1997 (as amended) affirms the role of Department of Forestry on control, protection and management of forest reserves and protected forest areas. In addition, the act recognises the need to promote participatory social forestry and empowerment of communities for conservation and management of trees within the country. In this regard, the Act encourages community involvement in woodlots and management of forest reserves through co-management approaches. Section 86 provides guidelines on values / rates for sale of both indigenous trees and exotic trees. These rates are gazetted, and are reviewed from time to time to reflect current values by authorities. The values are used to calculate compensation to people who may lose timber and fruit trees.

Provisions under this Act provide for indicative costs for the payment of compensation for timber and fruit trees as a result of project-induced displacement.

3.1.7.5 Monuments and Relics Act (1991)

The Monuments and Relics Act, 1991, stipulates the proper management and conservation of monuments that are of importance, both nationally and locally. It provides for proper preservation of monuments in the event that there is a change in the use or development of land. This gives room for the authorities for monuments and relics to protect monuments under the provisions of the Land Act, 2016 or the Lands Acquisition Act, as amended.

The project may affect some archaeological, cultural and spiritual sites and graves. The distribution of these assets has been taken into account during project design (Section Error! Reference source not found.) in an attempt to avoid, as much as possible, impacting on them. Those assets that cannot be avoided will be compensated for as appropriate, in accordance

3.2 Malawian Institutional Framework

The primary agency responsible for regulating land acquisition and resettlement services in Malawi is the MoLHUD, although the responsibility for enforcing land issues is spread over a number of sectoral institutions ranging from national to district authority level. The Ministry of Natural Resources,
Energy and Mining (MoNREM) is the lead ministry managing the development and delivery of the Project.

The Project requires cooperation from a wide range of government organisations at national, regional, district and village levels, as is apparent from details pertaining to the administration of relevant legislation presented in section 3.1. The respective mandates and roles of the main government organisations to be involved in land acquisition, compensation and resettlement for this Project are outlined in the sections below.

3.2.1 National Ministries

3.2.1.1 Ministry of Natural Resources, Energy and Mining

The MoNREM, and specifically the Department of Mines, will provide the oversight role in instigating, coordinating and managing government responses to the project, and in collaboration with the chamber of mines, provide guidance and support for the project as required.

The Department of Forestry will play a role in the calculation of compensation for natural resources displaced by the Project (for example, woodlots), as well as to identify initiatives to be implemented as part of livelihood restoration (Chapter 7).

3.2.1.2 Ministry of Land, Housing and Urban Development

The MoLHUD’s mandate, drawn from the Land Act, Town and Country Planning Act, and Land Survey Act, amongst others, is to provide land and housing management services to the general public and interested stakeholders seeking these services. The ministry functions at national, regional and district levels, and comprises the following departments:

- **Housing and urban development**, primary concerned with the provision of housing. The rural housing section of the department focuses on enhancing housing conditions in rural areas by facilitating the communities’ access to quality housing. The valuation and estate management section is responsible for the provision of valuation services to those who require it.

- **Lands and valuation**, whose functions include ensuring the legality of land transactions and promoting its registration. The department also offers valuation services for the purposes of compensation assessments.

- **Physical planning**, responsible for facilitating the provision of physical planning services to achieve orderly and environmentally sound socio-economic development.

- **Surveys**: headed by the Surveyor General, the department is responsible for all matters of land surveying and mapping.

Within the ministry, the Commissioner for Lands administers most issues dealing with land allocation, acquisition, and registration and land management. All instances of acquisition of land and the need for resettlement and / or compensation must be referred to the Commissioner. The Commissioner has
representatives at regional and district level, in the form of the Regional Commissioner of Lands and the Land Officer (LO), respectively.

Responsibilities of the MoLHUD in the context of this RAP include (1) the valuation of displaced assets and (2) the review of the RAP prior to its finalisation and disclosure.

3.2.1.3 Other

The Project, as it pertains to the resettlement process, will also work closely with other government organisations, including:

- The Ministry of Transport and Public Works, the Roads Department, and affiliated institutions (National Road Safety Council and the Roads Authority).
- The Ministry of Tourism, Wildlife and Culture, and the Department of Antiquities. (for the appropriate relocation of graves, cemeteries and other assets of cultural significance).

3.2.2 Regional Administrators

The relevant regional administrator in the case of this Project is the Central Region. This administration, comprising amongst others a Commissioner of Lands, surveyor and valuers, serve as the ministry’s representatives on regional level, and play a role in coordinating and guiding the resettlement planning process to ensure that it is done in accordance with Malawian law.

Responsibilities of the regional administrator in the context of this RAP include (1) assistance with the valuation of displaced assets, in accordance with the bidding of the MoLHUD, (2) participation in consultations and negotiations with displaced households (RWG meetings) and (3) assistance with the resolution of grievances where practical.

3.2.3 District authorities

At a district level, the District Council is the highest decision-making structure and is responsible for, amongst other things, making decisions on local governance and development for a LGA, as well as mobilising resources within the LGA for this purpose. The Lilongwe District Council operates through the following service committees:

- Finance
- Development
- Health and environment
- Education
- Human resources
- Public works
- Agriculture and natural resources

The District Council Secretariat is headed by the DC with directors for the following departments:

- Planning and development
- Administration
- Finance
- Public works
- Health and social welfare
- Agriculture and natural resources
- Education

The **District Executive Committee** (DEC) is the technical and advisory committee to the Council, and is made up from members of the secretariat, government ministries, statutory corporations, and civil society organizations (CSOs). It is chaired by the DC, and the director of planning and development serves as the secretary.

The Lilongwe district also has a LO, who is responsible for advising on land matters, transactions, disputes and acquisition. The LO operates under the Department of Planning and Development.

**Responsibilities of the district authority in the context of this RAP include** (1) active participation in consultations and negotiations with displaced households (RWG meetings), (2) assistance with identifying a resettlement site, in collaboration with the TA, and (3) RAP disclosure.

### 3.2.4 Local Governance

Local governance is driven by two main structures, namely political and developmental. The political hierarchy is shown in Figure 3-1, and the development structure in Figure 3-2. Both these structures play an important role during the resettlement planning process, and have been extensively engaged during the process.

![Figure 3-1: Political hierarchy](image)

![Figure 3-2: Development structure](image)

The Area Development Committee (ADC) is the representative body of all Village Development Committees (VDC) under the jurisdiction of the TA. Functions of the ADC include identifying development priorities and preparing proposals to be submitted to the DEC, conducting monthly meetings to address community needs, to supervise, monitor and evaluate the implementation of projects in the TA, and to mobilise communities and resources for projects. The Area Executive Committee (AEC) is the technical and advisory committee to the ADCs.

VDCs are a representative body of a village or group of villages, and their function is similar to that of the ADC, albeit at village level.
The Project falls under the jurisdiction of TA Masumbankhunda, who reports to senior TA Tsabango. There are 543 villages in the TA area, represented by a total of 29 official VDCs.

3.2.5 Civil Society and Other Organisations

CSOs and other non-governmental, aid, community and faith-based organisations play a key role at grassroots level in Malawi, and proliferate as alternative channels of service provision and holding the government accountable. Representatives from CSOs sit on the DEC, and work closed with the local development structure (Figure 3-2), particularly with the VDCs. These organisations undertake a range of activities in support of the government’s development efforts, and focus primarily on agriculture, education, health, forestry, gender and human rights, HIV/AIDS interventions, water and sanitation, and youth and child development. There are 41 registered organisations in Lilongwe, six of which are active in TA Masumbankhunda’s area.

3.3 International Guidance and Standards

3.3.1 Equator Principles

The Equator Principles III (EPs) is a risk management tool adopted by numerous financial institutions in 37 countries for identifying, assessing and managing environmental and social risks. The EPs are largely based on the IFC’s PS with some additional requirements for lenders who have adopted the EPs. As the Project may be seeking funding from an EP financial institution, the process for land acquisition, compensation and resettlement must recognise the applicable international standard with the EPs.

3.3.2 IFC Performance Standards

The IFC, a member of the World Bank Group, has adopted a suite of PS on social and environmental sustainability. The IFC applies these standards to manage project-related social and environmental risks and impacts, as well as to enhance development opportunities in its private sector financing. The
Project will require the involuntary resettlement of all households and assets located within the Exclusion Zone (EZ). Thus, the objectives of IFC PS 5 will apply, these include the following:

- Avoid, and when avoidance is not possible, minimise displacement by exploring alternative project designs;
- Avoid forced eviction;
- Anticipate and avoid, or where avoidance is not possible, minimise adverse social and economic impacts from land acquisition and / or restrictions on land use by (i) providing compensation for loss of assets at replacement cost and (ii) ensuring that all resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected;
- Improve, or restore, the livelihoods and standards of living of displaced persons; and
- Improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.

According to IFC PS 5, displaced persons may be classified as persons:

- Who have formal legal rights to the land or assets they occupy or use;
- Who do not have formal legal rights to land or assets, but have a claim to land that is recognised or recognisable under national law; or
- Who have no recognisable legal right or claim to the land or assets they use/occupy.

The Standard also includes the following requirements:

- Provide opportunities to displaced people to derive appropriate development benefits from the project; and
- Where land is collectively owned, land based compensation should be offered, where possible.

Involuntary resettlement refers both to physical displacement (resettlement or loss of shelter) and economic displacement (loss of assets, or access to assets, that leads to loss of income sources and/or other means of livelihood), as a result of project-related land acquisition and / or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition and restrictions on land use that result in physical or economic displacement. This occurs in cases of lawful expropriation, or restrictions on land use, or in negotiated settlements in which the buyer / developer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

PS 5 applies to all physical and / or economic displacement resulting from the following types of land-related transactions:

- Land rights, or land use rights, acquired through expropriation or other compulsory procedures in accordance with the legal system of the host country;
• Land rights, or land use rights, acquired through negotiated settlements with property owners or those with legal rights to the land if failure to reach a negotiated settlement would have resulted in expropriation or other compulsory procedures;

• Project situations where involuntary restrictions on land use and existing access to natural resources cause a community, or groups within a community, to lose access to resource usage where they have traditional or recognisable usage rights;

• Certain project situations requiring evictions of people occupying land without formal, traditional, or recognisable usage rights; and

• Restriction on access to land, or use of other resources including communal property and natural resources.

When displacement cannot be avoided, the project sponsor will offer displaced persons and communities’ compensation for the loss of all assets at full replacement cost, as well as other assistance as provided in PS 5, to help them improve or restore their standards of living and livelihoods. Compensation standards shall be transparent and applied consistently to all the communities and persons affected by the displacement.

Replacement cost is defined as the market value of affected assets plus transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. Market value is defined as the value that is required to enable affected persons and communities to replace lost assets with new assets of similar value. Security of tenure must be provided at the resettlement site, meaning that resettled individuals or communities are resettled to a site that they can legally occupy without the risk of eviction.

According to IFC PS 5, preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. Strategies may include resettlement on public land with the agreement of government, or on private land acquired or purchased for resettlement. Whenever replacement land is offered, it should provide for land that is at least equivalent to that of the old site.

Where physical displacement occurs, PS 5 further requires that a RAP shall be developed and implemented. The RAP must provide a comprehensive action plan for addressing resettlement impacts. It should describe the procedures and activities that will be taken to mitigate adverse project impacts, compensate for all losses, and provide development benefits to those who will be resettled or displaced as a result of the project. The project sponsor shall be fully responsible for the resettlement process.

In order to comply with the above requirements, the project sponsor will carry out a census with appropriate socio-economic baseline data to identify all persons who will be displaced by the project, and to determine who will be eligible for compensation and/or resettlement assistance, as well as to discourage inflow of people who are ineligible for these. A cut-off date for eligibility under the proposed
project should also be established. Information on the cut-off date shall be well documented and disseminated throughout the project area.

PS 5 requires that the RAP is accepted by the relevant authorities and affected parties prior to implementing resettlement. Provision of compensation and restoration of livelihoods of those affected by the project shall be ensured prior to any actual resettlement. Possession of land for project activities should take place only after compensation has been paid, or alternatively, if suitable guarantees of compensation have been made to the affected parties’ satisfaction. Compensation payments must not be delayed once physical resettlement has taken place. Resettlement housing and related public infrastructure and services and moving allowances must be provided to affected persons in accordance with the RAP provisions.

PS 5 further requires that particular attention be given to the needs of vulnerable persons and groups. These are defined as those below a defined poverty line, the landless, the elderly, women and children, indigenous groups and ethnic minorities, the disabled, orphans, and otherwise disadvantaged persons. In particular, the RAP must provide:

- Additional targeted assistance (for example credit facilities, training and employment) and opportunities to restore, and preferably improve, their income-earning capacity, production levels and standards of living to displaced persons whose livelihoods or income levels are adversely affected; and
- Transitional support to economically displaced persons where necessary, based on a reasonable estimate of time required to restore income-earning capacity, production levels, and standards of living.

3.3.3 International Human Rights Standards

**PS 1: Assessment and Management of Environmental and Social Risks and Impacts** states that businesses should respect human rights, which means to avoid infringing on the human rights of others and address adverse human rights impacts a business may cause or contribute to. IFC’s approach to human rights focuses on the identification of relevant linkages between environmental and social considerations and human rights. The Sustainability Policy and the PS reflect this view, by integrating human rights issues into applicable sections, for example the right not to be forcefully evicted (PS 5), labour rights (PS 2), rights of indigenous peoples (PS 7) and the right to health through a clean environment.

The protection of basic human rights is primarily the responsibility of the state. However, in terms of international good practice, private companies are increasingly required to uphold and promote basic human rights. The United Nations (UN) Global Compact Initiative challenges business to embrace and enact basic principles with respect to human rights. The UN “Protect, Respect and Remedy Framework for Business and Human Rights” (2010) underlines the corporate responsibility to protect human rights, address adverse impacts and provide greater access by victims (“effective remedy”).
The IFC PS provide further insight into how initiatives like Global Compact can improve the human rights performance of project sponsors. The IFC Good Practice Note on the Design of Grievance Mechanisms (Guidance Note 7 of 2009), establishes that credible and effective grievance mechanisms are part of a broader framework for companies to address human rights issues in their business operations. The IFC PS furthermore require that the dignity, human rights and welfare of communities affected by development projects are protected.

3.4 Gap Analysis between Malawian Legislation and International Standards

Table 3-3 provides an overview of the Malawian legislative requirements and IFC standards with regard to resettlement and compensation. Significant gaps between the two sets of requirements are, as far as possible, addressed in the Entitlement Framework (EF) (Chapter 7). In addition, where a discrepancy exists between lender requirements (EPs and IFC PS) and national legislation, the more stringent of the two will be used and / or applied in the resettlement planning process.
Table 3-3: Comparison of relevant Malawian legislation and IFC PS 5

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Malawian Legislation</th>
<th>IFC PS 5</th>
<th>Measure to close the gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socio-economic baseline surveys</td>
<td>Not required.</td>
<td>Requires socio-economic survey.</td>
<td>Conduct census, socio-economic and asset surveys.</td>
</tr>
<tr>
<td>Vulnerable individuals and groups</td>
<td>No special support required for vulnerable groups.</td>
<td>Additional attention and support measures to vulnerable groups.</td>
<td>Identify vulnerable groups and provide special attention and support measures.</td>
</tr>
<tr>
<td>Cut-off date for eligibility</td>
<td>Cut-off date set as commencement of valuation.</td>
<td>Cut-off date considered date of completion of census, socio-economic and asset surveys.</td>
<td>Cut-off date triggered by valuation in line with Malawian law.</td>
</tr>
<tr>
<td>Categories of affected people – and those with no recognisable right or claim</td>
<td>Only people with recognised land use/owner rights (private or customary) qualify for compensation. Illegal occupiers do not qualify for compensation.</td>
<td>Requires compensation for land users/owners with private and customary rights on land. Informal occupiers compensated for improvements on land and provided with replacement land.</td>
<td>Recognised and informal land use to be considered for compensation and mitigation.</td>
</tr>
<tr>
<td>Preparation of RAP documents</td>
<td>Valuation reports for submission and approval. RAPs not normally required, apart from in certain licences the condition for a relocation plan is stipulated (e.g. mining licences).</td>
<td>Required prior to taking possession of land.</td>
<td>Preparation and implementation of RAP (for physical and economic displacement).</td>
</tr>
<tr>
<td>Resettlement</td>
<td>No requirement for provision of replacement land.</td>
<td>Requires choice of resettlement land / housing or cash or combination.</td>
<td>Resettlement and compensation packages will be geared towards replacement land and housing, as far as possible and appropriate.</td>
</tr>
<tr>
<td>Livelihood impacts and restoration</td>
<td>Does not require livelihood restoration support.</td>
<td>Requires livelihood restoration support.</td>
<td>Provide suitable livelihood restoration support options, such as: Training in new skill for non-land based income, e.g. construction skills, bricklaying, carpentry, plumbing; Land-based income opportunities, e.g. beneficiation of raw produce, access to marketing channels, cultivation of new high-value crops; and Provision of financing and business plan support for establishment of small business.</td>
</tr>
<tr>
<td>Valuation of land and assets</td>
<td>Replacement cost taking depreciation into account.</td>
<td>Replacement cost not taking depreciation into account.</td>
<td>Valuation at replacement cost without taking depreciation into account.</td>
</tr>
<tr>
<td>Vacant land</td>
<td>Vacant land not eligible for compensation.</td>
<td>All affected land eligible for compensation.</td>
<td>All affected land to be eligible for compensation.</td>
</tr>
<tr>
<td>Aspect</td>
<td>Malawian Legislation</td>
<td>IFC PS 5</td>
<td>Measure to close the gap</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Resettlement support allowances</td>
<td>Some support allowances (as part of valuation and compensation payment) including disturbance allowance and loss of profits.</td>
<td>Relocation support allowances such as disturbance allowance, vulnerability allowance, transportation allowance and temporary accommodation allowance if required.</td>
<td>Provide resettlement support in cash or kind or combination of two. Allow affected people to choose preferred options.</td>
</tr>
<tr>
<td>Grievance mechanisms</td>
<td>No dedicated dispute resolution mechanism at various government levels with a final recourse to court.</td>
<td>Establishment of dedicated, easily accessible, and no-cost grievance management mechanism.</td>
<td>Establish a dedicated and no-cost to displaced people grievance management mechanism. Complainants will still be able to seek legal remedies in accordance with the laws and regulations of Malawi.</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>No monitoring and evaluation requirement.</td>
<td>Require monitoring and evaluation of resettlement process and outcomes.</td>
<td>Conduct process and outcome monitoring during and upon completion of implementation.</td>
</tr>
</tbody>
</table>
4. Resettlement Planning Principles and Process

This Chapter describes the resettlement planning and implementation process to be undertaken in preparation for land acquisition during Phase 1 and 2. It commences by listing the resettlement planning principles, followed by a detailed description of the resettlement planning and implementation process, including activities undertaken to date and the steps that will be followed to complete resettlement planning and implementation.

4.1 Resettlement Principles

Sovereign developed a suite of principles to ensure that the resettlement planning and implementation process is undertaken in a manner that satisfies the national and international requirements described in Chapter 3, which is a pre-requisite for achieving the Project’s overarching goal for land acquisition and resettlement planning, i.e. to ensure investable and bankable land arrangements for the Project. The aforementioned principles are listed in Figure 4-1 and form the basis of the land acquisition and resettlement process described throughout the remainder of this Chapter.
### Figure 4-1: Guiding principles adopted during resettlement planning

<table>
<thead>
<tr>
<th>Principle 1</th>
<th>• All land for the Project will be acquired permanently by Sovereign</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principle 2</td>
<td>• The Project will aim to reach a consensual/negotiated agreement for compensation of affected land and assets with Project Affected Persons (PAPs) as required by IFC PS 5. Only where this cannot be reached with PAPs will PAPs be subject to implementation of further measures of compulsory acquisition, as a last resort. Forced evictions will be avoided.</td>
</tr>
<tr>
<td>Principle 3</td>
<td>• Resettlement should be avoided or minimised</td>
</tr>
<tr>
<td>Principle 4</td>
<td>• On-going and meaningful consultation should occur with project-affected persons and involvement of government, traditional authority and where relevant as appropriate</td>
</tr>
<tr>
<td>Principle 5</td>
<td>• Affected persons should be assisted to improve their livelihoods</td>
</tr>
<tr>
<td>Principle 6</td>
<td>• Vulnerable groups and severely project-affected persons should be specifically catered for</td>
</tr>
<tr>
<td>Principle 7</td>
<td>• Resettlement planning, budgeting and implementation must be an integral part of the project planning</td>
</tr>
<tr>
<td>Principle 8</td>
<td>• A proper database of affected persons should be established for management and monitoring purposes</td>
</tr>
<tr>
<td>Principle 9</td>
<td>• Grievance and monitoring procedures must be in place</td>
</tr>
<tr>
<td>Principle 10</td>
<td>• All resettlement activities must be planned and executed so as to comply with relevant legal obligations</td>
</tr>
</tbody>
</table>
4.2 Land Acquisition and Resettlement Process

The land acquisition and resettlement process is presented throughout the remainder of this section. Generally resettlement and land acquisition are managed across two phases:

- **Pre-acquisition or resettlement planning phase:** This phase involves the development of resettlement objectives and principles, socio-economic and asset surveys, formulation of entitlements and engagement. This phase culminates in the development of a resettlement policy or in the case of this Project a RAP. The RAP sets out a comprehensive set of actions for addressing impacts related to physical and economic displacement. It describes the procedures and activities that will be taken to compensate for losses, mitigate adverse project impacts, and provide development benefits to those who will be resettled or displaced as a result of the project. Depending on the Project’s land access requirements; and

- **Acquisition and grant of rights or implementation phase:** involves Government gazettement, land and asset valuation, notice to acquire and vacating of land, acquisition of land and granting of land rights to the Project as well as the subsequent implementation of the RAP, including final agreements with PAPs, compensation payments, physical relocation, livelihood restoration assistance, arrangements for land rights to be granted to the Project etc.

The subsections that follow set out the processes for the Steps that have been, and will still be, undertaken to complete this RAP (Section 4.2.1.1 - 4.2.1.8). This is followed by an overview of the process steps for implementation (Section 4.2.2.3). It should be noted that the process is subject to ongoing discussions with Government, affected Communities and Sovereign and may thus be refined in future iterations of the RAP. Depending on the timing of Phase 2 land acquisition activities, Sovereign might be required to review, re-initiate and/or update certain steps or aspects of the process. Consequently if the implementation of the Phase 2 land acquisition commences considerably later than Phase 1, then the steps described below will be reviewed and resettlement planning and implementation updated where considered necessary.

4.2.1 Resettlement planning/ Pre-acquisition Activities

4.2.1.1 Analysing and Addressing Gaps Between Malawian and International Requirements

The resettlement team completed a literature review to identify the legislative and institutional framework relevant to resettlement planning and implementation within the context of this Project. This was followed by a detailed gap analysis to identify (a) any variances between the requirements for land acquisition and resettlement planning in Malawian and IFS PS and (b) measures to address any gaps. Where gaps were identified between the two sets of requirements, the more stringent of the two requirements were applied, as required by IFC PS 5. The findings of the analysis as well as relevant legislation and standards are documented in Chapter 3. The Gap analysis would require update in cases where there are significant changes in local legislation and international standards prior to commencing Phase 2 land acquisition.
4.2.1.2 Establishing Land Access and Resettlement Principles

Based on the findings of the gap analysis, a suit of resettlement and land access principles were developed to ensure that resettlement planning is undertaken in a manner that satisfies both national and international requirements; these principles are presented in Section 4.1 and set out the overarching approach to land acquisition and resettlement planning, as such, it guides all subsequent steps in this process.

4.2.1.3 Confirmation of Land Areas for Planning Engagements and Impact Identification

The Project’s land requirements was confirmed with the engineering design team responsible for feasibility design to establish the parameters for the resettlement planning process, particularly in relation to socio-economic and asset valuation surveys to identify the project-related displacement impacts that will form the scope of the RAP.

It should be noted that the initial set of land requirements issued to the resettlement team were based on feasibility and pre-feasibility designs, as opposed to final detail project design, and were still subject to change depending on the outcome of environmental and social studies undertaken for the Project. This scenario afforded the resettlement team to undertake screening and complete survey activities, determine displacement impacts and review designs to identify measures to avoid and minimise displacement. The Project’s land requirements were also compared with administrative boundaries to (a) determine which governmental and traditional authorities need to be involved in the resettlement stakeholder engagement process and (b) define the institutional context within which resettlement planning and implementation will be undertaken, the institutional context is described in Section 3.2.

4.2.1.4 Consultation and Qualitative Data Collection

Quantitative data was collected during resettlement surveys via meetings, key respondent interviews and direct observation. Qualitative data has been used to assist the RAP team with understanding the constraints of everyday life of the PAPs, and to develop a more nuanced understanding of the likely impacts of displacement and resettlement on PAPs. This qualitative data is included in the socio-economic baseline in Chapter 5 and informs the entitlement framework, livelihood restoration measures and other aspects of the RAP that need to presented and formalised during future engagement with PAPs. Details on stakeholder consultations that have been undertaken to date and still needs to be completed in order to finalise the RAP are introduced in Section 4.2.1.9 and described in Chapter 9.

4.2.1.5 Resettlement Planning Surveys: Socio-economic, Land and Asset Survey

GoM requires that land and asset data be collected to inform the valuation and compensation offered for any particular property; however, these data collection activities should be initiated after gazettlement of the final footprint, providing a notice to acquire land and instating a cut-off date for eligibility. Due to the fact that Sovereign was still in the process of completing project feasibility studies
when the ESIA and RAP studies were required it was not possible to conclude the aforementioned surveys. These surveys will be completed later in the process as described in Section 4.2.2.

However, international standards require that resettlement and compensation planning measures outlined in the RAP be based on primary data collected through surveys and consultations to ensure that displacement impacts are thoroughly understood and that fair agreements regarding compensating for these impacts can be presented and negotiated with the affected Party when land access is required. A socio-economic and asset survey was completed for the aforementioned purposes. The results of these surveys are presented in Chapter 5 and 6. Survey planning and execution involved the following steps:

- **Survey preparation:**
  - Preparing survey plans, materials and equipment, recruiting and training survey teams, and arranging logistics for survey teams;
  - Confirming and reviewing the geographical area to be covered by the surveys, based on the Project footprint;
  - Early liaison with district and village officials as well as traditional leaders to elicit their support for planned survey activities – including arranging meetings with affected communities, identification of PAPs and determining land designations and ownership; and
  - Scheduling of sensitization meetings with affected villages by survey teams.

- **Announcement of Surveys and Community Sensitization:**
  - The survey plan and schedule were confirmed with local government authorities and traditional leaders through issuing formal notifications;
  - Community sensitisation meetings were held in Project-affected communities to: (a) inform PAPs of the purpose of the surveys, (b) provide notification of the Project's requirements and intentions with the collected data, i.e. to determine potential impacts as part of the ESIA process (c) inform stakeholders of the type of assets that will be recorded as well as how these will be recorded and (d) discuss the process and schedule associated with the survey of their property; and
  - PAPs (i.e., owners and/or users of affected land, houses, economic trees, other improvements on land, crops and other assets) were identified and measures taken to enable them to be present during survey activities.

- **Survey execution:**

  Community sensitisation was followed by the implementation of the survey programmes, which involved execution of the following surveys:

  - **Land Delineation Survey**: undertaken with hand-held GPS devices together with the Asset survey, recorded boundaries of affected land parcels as well as data on land users. Land
parcels partially overlapping with the Project footprints were also recorded to identify orphaned land (i.e., unaffected land that, due to its size, is no longer sufficient for agricultural use) that would have to be acquired by the Project if affected by the EZ.

- **Asset survey**, which recorded information on affected structures, businesses, characteristics of land parcels, economic trees, graves and sites of cultural significance. An asset inventory was compiled for each household. Where households own or use assets without accompanying land ownership (e.g. renting structures or land on a certain property), a separate asset survey was completed. In order to minimise speculation traditional and village leaders witnessed the completion of the asset inventory. Communal assets (wells, places of worship, markets, etc.) were also recorded. Following the completion of the initial asset survey a supplementary survey was completed by a team of Government Valuers to verify the data set derived from the initial valuation survey and capture any supplementary data required to complete a provisional valuation to inform the resettlement costing;

- Socio-economic household survey was conducted to (a) understand the nature and significance of potential Project impacts on households and communities, (b) develop appropriate compensation options and measures to mitigate any such impacts; (c) identify if households are vulnerable and may require specific support if effected by land acquisition impacts; and (d) provide information to monitor progress during the land acquisition programme post relocation.

• **Data Capture and Analysis**

The photographic, GPS and questionnaire-based data collected through the surveys were captured in an electronic database and subjected to quantitative analysis to generate descriptive statistics and to identify trends and patterns in households’ socio-economic characteristics and asset ownership. The survey included 1 045 project affected households (PAH) and 4 454 project affected persons (PAP). The geographic and administrative locations of PAHs included in the survey are summarised in Table 4-1 below.
Table 4-1: Geographic and administrative distribution of households included in the survey

<table>
<thead>
<tr>
<th>Village</th>
<th>Households (HHs) surveyed</th>
<th>Household members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Chimwendo</td>
<td>198</td>
<td>18.9%</td>
</tr>
<tr>
<td>Chitsulo</td>
<td>488</td>
<td>46.7%</td>
</tr>
<tr>
<td>Kathyokamwendo</td>
<td>31</td>
<td>3.0%</td>
</tr>
<tr>
<td>Manase</td>
<td>7</td>
<td>0.7%</td>
</tr>
<tr>
<td>Mtali</td>
<td>56</td>
<td>5.4%</td>
</tr>
<tr>
<td>Mtata</td>
<td>12</td>
<td>1.1%</td>
</tr>
<tr>
<td>Ndumila</td>
<td>29</td>
<td>2.8%</td>
</tr>
<tr>
<td>Ntanga</td>
<td>58</td>
<td>5.6%</td>
</tr>
<tr>
<td>Pingeni</td>
<td>166</td>
<td>15.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1045</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

4.2.1.6 Minimising Displacement

The RAP team documented measures undertaken to minimise displacement during screening, project design and identified additional minimisation measures. These measures were primarily based on reviewing the project footprint in light of potential displacement impacts determined through the survey findings. Measures to minimise displacement are summarised in Chapter 6.

4.2.1.7 Provisional Asset and Land Valuation for Budgeting Purposes

IFC PS 5 requires that resettlement planning should include robust cost estimations for RAP implementation, which should be accounted for when determining project feasibility. In order to estimate the potential compensation cost for loss of assets, the dataset derived from the asset survey was submitted to a valuation team from the Department of Lands and Valuation within the Ministry of Land, Housing and Urban Development who completed a provisional valuation of project-affected assets. The findings of the provisional valuation informed the costing presented in Chapter 14.2.

The Provisional valuation involved assessing each property with the purpose to develop a valuation report, which indicates the assets recorded for a household during the asset survey. Making use of compensation rates prescribed by national legislation, the report indicates the monetary amount accruing to the household for each affected asset. Information from the valuation report was used to define the final valuation process proposed as part of the entitlement framework in Chapter 7, which builds on the provisional process to ensure that asset valuation and compensation will meet any additional requirements for compensation set out by IFC PS 5.

4.2.1.8 RAP Preparation

The outcomes of the steps described above are documented in the RAP, which include:
4.2.1.8.1 Compilation of a Socio-economic Baseline

After completion of the surveys, and concurrently with the preparation of the asset profile and provisional valuation, a socio-economic baseline profile was prepared based on the findings of the socio-economic survey. The baseline profile details the demographic and socio-economic characteristics of PAHs and communities, including their age and gender distribution, education levels, livelihoods, access to public facilities and resources, etc. The baseline profile has been used to (a) identify displacement impacts, (b) inform entitlements, (c) determine any additional resettlement assistance that might be required, (d) ensure design of appropriate in-kind compensation and livelihood restoration measures and (e) define criteria to identify vulnerable households.

4.2.1.8.2 Identification and Estimation of Displacement Impacts

Project induced displacement impacts were identified based on the findings of the socio-economic and asset survey, specialist opinion and information obtained through consultation that took place for the purposes of the RAP. The impacts are presented in Chapter 6. It should be noted that these impacts are based on the Project's current land requirements which might be subject to change, especially if additional measures to minimise displacement are implemented, in which case the impact metrics should be updated accordingly.

4.2.1.8.3 Identification of Vulnerable Groups

IFC PS 5 requires that additional attention and assistance be provided to households who might be especially vulnerable to the impact of displacement. The following process will be used to identify vulnerable persons and households. Vulnerability will be determined through using provisional indicators of vulnerability derived from data collected during socio-economic surveys and qualitative data collection. The list of indicators should be presented and agreed with the RWG. The next steps in the process would involve:

- Compiling a list of vulnerable resettlement-affected households based on the final set of criteria;
- Exploring, during RWG consultations, the specific needs of vulnerable households at various stages of the resettlement process, including negotiation, compensation and physical relocation; these could include:
  - Assistance in the compensation payment procedure (e.g., specifically explaining the process and procedures, making sure that documents are well understood);
  - Assistance in the compensation post-payment period to secure the compensation money and reduce risks of misuse/robbery;
  - Physical assistance when moving, e.g. assisting persons/households with relocating their possessions;
  - Counselling in matters such as using money sustainably to ensure long-term use, saving, family and health;
– Assistance during the post-resettlement period, particularly if the support networks that the vulnerable person was relying on have been affected, such as food support, health monitoring, etc.; and
– Health care provision at critical periods, particularly during the moving and transition periods; and
– Defining focused measures to monitor vulnerable households during and after resettlement.

4.2.1.8.4 Development of Entitlement and Livelihood Restoration Framework

An entitlement framework and matrix was developed for the purposes of identifying the rights and entitlements of resettlement-affected people and defining the measures for the compensation of displaced assets. The EF forms the basis for developing comprehensive compensation packages that adhere to international requirements, which normally requires the Project to offer both in-kind and cash compensation options to ensure those displaced by the Project are not worse off than prior to resettlement. The EF and potential livelihood restoration options are presented in Chapter 7 and 1 respectively. Both the Entitlement and Livelihood restoration framework will be finalised in consultation with the RWG and relevant Government Stakeholders, especially those involved with carrying out the valuation for the Project.

4.2.1.8.5 Identification of Replacement/ Alternative Land and Resettlement Housing

Replacement land and resettlement housing are both instances of in-kind compensation. These are not provided for in terms of Malawian legislation, but are preferred methods of compensation in terms of IFC PS 5. During this step, possible replacement land requirements have been estimated on the basis of information gathered during the asset surveys, see Chapter 10.

It is not, however, possible at this stage the exact extent of replacement land and resettlement housing required until it is known what compensation options PAPs will select; this takes place during Entitlement Briefings and Compensation Agreements which is completed after the final land valuation. This step will also involve the preliminary identification of options for replacement housing for physically displaced households. In designing replacement housing, care should been taken to replicate the social spaces found in traditional dwellings.

4.2.1.8.6 Development of Grievance Procedures

Dispute resolution and grievance redress is an inevitable component of a RAP and is required in terms of IFC PS 5. As such, a dispute and grievance redress mechanism was developed to allow the RAP affected people to voice concerns about the resettlement and compensation process as they arise. The RAP Grievance Mechanism is presented in Chapter 12.

4.2.1.8.7 Provisional Organisational Arrangements

Provisional organisational responsibilities and associated organisational arrangements for resettlement implementation are presented in Chapter 11.
4.2.1.8.8 Implementation Schedule and Costing
A resettlement implementation schedule is currently being prepared. The schedule will indicate the timing and dependencies of resettlement-related activities such as the priorities of Project construction schedules. A preliminary cost estimate for RAP implementation will also be formulated.

4.2.1.8.9 Monitoring Process and Requirements
The resettlement team developed a framework for monitoring resettlement activities as required by IFC PS 5. The framework makes provision for monitoring physical progress with resettlement implementation, disbursement of compensation, and the effectiveness/relevance of consultation and participation (Chapter 13).

4.2.1.9 Establishment of RAP Consultation Structures/Resettlement Working Group
A Resettlement Working Group (RWG) RWG represents the primary consultative forum for resettlement planning, communication with affected households and the negotiation of compensation entitlements (IFC, 2012). The RWG or an equivalent structure will be established to facilitate the remaining phases of the RAP development. The RWG normally acts as an advisory body in matters related to resettlement and compensation. Normally the RWG should include the representation of the different categories of project-affected people, as well as the relevant local government structures and project representatives. The establishment, composition and role of the RWG in the context of this Project is described in Chapter 9.

4.2.1.10 RAP Finalisation and Approval
After review and approval by Sovereign, the RAP will be presented to communities for their input and submitted as part of the ESIA to the appropriate government authorities for review and comment. Public disclosure of the RAP will also be required to meet international standards. The documents will be made available in an accessible form to Project-affected groups and other stakeholders for public review and comments. The Final RAP will address the comments made.

4.2.2 Acquisition and Grant of Rights Phase
This section describes the processes to implement the approved and publicly disclosed version of the RAP. This phase involves instatement of cut-off date, final asset surveys, government valuation compensation agreements, payment of compensation, relocation and implementation of livelihood restoration and assistance programmes, issuing rights of occupancy/title being granted and finally the lease of land provided to the Project.

4.2.2.1 Community Sensitisation
During this step the Project and RWG, together with representatives from the Department of Lands and Valuation and District Office will initiate engagement with PAPs, traditional leaders and relevant NGOs to introduce and discuss the RAP implementation schedule and activities. The aim of these discussions will be to: (a) inform authorities about the GoM and International requirements for survey
activities, (b) provide notification of intention to acquire land (c) inform stakeholders of the type of assets that will be recorded as well as how these will be recorded and (d) discuss the process and schedule associated with the survey of their property, especially the cut-off date, valuation and compensation.

4.2.2.2 Gazette and Notice to Acquire Land

Subsequent to community sensitisation and gazettement of the project area, the Department of Lands and Valuation within the Ministry of Lands, Housing and Urban Development will initiate the valuation process through the issuing a notice to acquire land required for the Project through the District Commissioner. The notice should clearly explain the purpose of the land acquisition, the size of the area required and the owners or occupiers right to compensation in accordance with the existing legislation and policies.

Following gazettement and at the time requested by the Project, the GoM in coordination with the Project, shall issue (publish in the Gazette and serve, as required by Malawian law) the Notices of Intention to Acquire (section 6 of the Land Acquisition Act, 1970 as amended) to PAPs identified by the Project. It is envisaged this would occur concurrently with the census surveys and instatement of the cut-off date.

4.2.2.3 Census and Establishing a Cut-off Date

A supplementary/asset verification survey will be undertaken to provide a final record of assets which will be displaced by the Project. The verification survey will be undertaken together with the Government Valuation team and local authorities to ascertain the people who have rights over the affected land and will constitute the cut-off date for the project. Any assets created or improvements done to existing assets, change in use or ownership, potential newcomers within the Project area after the assets inventory dates would not be acceptable for compensation.

The cut-off date and associated implications should be documented and clearly communicated to relevant stakeholders, including period within which the land should be vacated and certain land uses should be abandoned, for instance land access schedules might allow for the maturing and harvesting of crops in certain areas.

4.2.2.4 Valuation Surveys: Asset and Cadastral Survey

Prior to developing the final valuation report and finalising compensation agreements a final land and asset survey will be completed. Depending on the timing of the activity as well as the specific requirements of the Government valuation team, the scope of the asset and cadastral surveys could entail a new survey or a survey aimed at verifying and/supplementing data recorded during the initial asset survey in 2017. Irrespectively, the surveys should ensure that sufficient data is collected to accurately determine compensation according to national and international requirements. The survey will involve the following steps:
• Undertake land delineation to demarcate the precise Project impact area and identify, together with authorities, those PAPs whose land and assets will be enclosed by the priority area and associated access road;

• Land adjudication survey and assessment of orphaned land: to determine the size and ownership of land and structural assets that coincides with delineated areas. Professional surveyor, neighbours, local authorities and Sovereign representatives to sign-off on land boundaries;

• Inspection of property/asset inventory by Government valuer: to determine the type and number of assets (e.g. structures, crops, trees, etc.) that are located on the land which coincides with land area earmarked for Project Infrastructure; and

• Depending on the timing of the verification survey a supplementary Socio-economic household survey could be required.

4.2.2.5 Compilation of Asset Inventory and Government Valuation

Survey data will be used to compile an inventory of all affected assets verified at the cut-off date for eligibility. The Inventory should detail the owner of each asset, its usage, size, area to be affected in proportion to the whole, and where relevant the materials from which it is made. As eligibility for compensation or other forms of assistance is linked to the findings of the inventory, all those who may be directly affected by the loss also need to be recorded as well, this includes, not only the owners of the property but others who occupy, reside or work in the affected structures, including tenants, renters and workers/employees.

The Government valuation team will use the asset inventory to determine the quantum of compensation payable for the assets or improvements affected by the Project. The final valuation report will include items which are in accordance with the national legislative procedure, presented as cash compensation and will be signed off by the CV.

4.2.2.6 Entitlement Briefings and Agreements

As indicated in the Entitlement Framework in Chapter 7, several compensation entitlements (e.g. for land, dwellings, business structures, etc.) offer a choice between cash and in-kind compensation, with a combination of the two (the “mixed option”, involving partial replacement of the lost asset in kind, and cash compensation for the balance) sometimes offered as a third alternative. In most cases, entitlements also include participation in livelihood restoration programmes. Given the range of options it is imperative that the Project undertake engagement with the PAPs and affected communities seeking to achieve consensual compensation agreement with them.

Based on the values confirmed in the approved Final Valuation Report and additional entitlements, a series of compensation agreements will be prepared. These may include:

a) Individual household agreements, identifying the land and assets of each PAP that will be compensated, and providing compensation schedules and options;
b) **Community level agreements**, to cover compensation to Village Councils for community land and assets; and

c) **District/authority agreements**, to define any obligations and/or commitments involving district and relevant authorities, if required.

Entitlement briefings will be conducted at village level with the support of district, traditional and village authorities and will involve presenting entitlements to PAPs (including the husband and wife where appropriate) and discussing entitlement options with them. These options will include selection between cash and in-kind compensation options (or the mixed option, where applicable), as well as selection between various livelihood restoration options (land-based activities, non-land-based activities, etc.). PAPs will then be given the opportunity to make informed decisions regarding the compensation and livelihood restoration options they select.

Engagements with the PAPs on the compensation agreements will clarify to PAPs that the permanent transfer of their rights of occupancy to GoM or Sovereign will occur once the relevant compensation package has been made available. The agreements will also include agreement of the compensation the PAPs will receive for the loss of land rights and assets. Agreements will include PAPs' consent to the compensation packages (based on compensation schedules contained in the approved Valuation Reports between the land owner/occupier and the Project. Once PAPs have selected their preferred compensation and livelihood restoration options, the agreements will be signed and witnessed. The options of co-signing or individual signing will be explained to PAPs. In case of co-signing both spouses of affected households shall sign off compensation agreements. For households where partners are not officially married or for polygamous partnerships, the project will request the head of household to sign the agreement together with all partners, so that all partners can document their entitlement to compensation. During these briefings, vulnerable PAPs will receive particular attention to ensure that they are aware of the support options that are available to them over and above compensation for losses.

In the event the engagement process fails to gain agreement over compensation, further steps requiring Government involvement would be triggered. In light of the importance that the international financing standards place on the need to pursue the consensual approach, even in instances of initial failure at engagement, steps will be discussed and agreed between the GoM and the Project to encourage refusing PAPs to consider engaging further in order to reach compensation agreements.

In the event that such further engagement still fails, for the purpose of the GoM proceeding with such further steps (including establishment of escrow arrangements with the Project and planning for the issuance of notices to yield possession upon payment of compensation), the following process is envisaged:
• The Project (when/if it considers appropriate) to submit to the GoM Acquiring Authority a list of PAPs/land areas which the Project has been either: i) unable to reach compensation agreement on (this will include where there are in-complete inheritance matters); or ii) have refused to have assets and/or land surveyed; or iii) are absent; and

• Following up on the above, the GoM to proceed with subsequent steps for compulsory acquisition (but with the provision that PAPs are offered the same entitlements disclosed in this RAP to meet both national legal requirements and international financing standards).

4.2.2.7 Payment of Compensation

The Project proposes to pay the compensation and provide the additional entitlements (including in-kind and livelihood restoration). Cash compensation due to PAPs will be paid on a rolling basis after the agreements have been signed (as soon as practically possible after agreement). Cash compensation payments will be deposited directly into the bank of the beneficiary and spouse (if married). Existing accounts may be used, or a bank account will be opened for the relevant parties with assistance from the Project. Reconciliation of all payments made will be recorded in an auditable format. and therefore would be a signature party to the compensation agreements (where such can be achieved). The arrangements for payment of compensation on behalf of the Acquiring Authority are still a matter of discussion between the Project and the Government at the time this RAP was disclosed.

4.2.2.7.1 Preparation of Replacement Land and Construction of Replacement Housing

This activity builds on the socio-economic baseline, which involved preliminary estimation of possible replacement land requirements on the basis of information gathered during the surveys. Following signing of the compensation agreements, it will be possible to make a more precise determination of land required for replacement housing and replacement farms. Options for suitable plots will be discussed by the Project in collaboration with district and village authorities. It is likely that most replacement land will be in the same village as the land previously owned by PAPs. Thus, the replacement plots are likely to remain Village Land under jurisdiction of the same village, although right of occupancy will have to be transferred to the PAPs.

To ensure security of tenure for resettled PAPs, formal land acquisition, transfer and registration as per Malawian legislation will be conducted for identified replacement land. The registration documents will be handed to the PAPs as confirmation of right of occupancy of the land. The Project will be responsible for the preparation of replacement plots and for construction of replacement houses according to PAPs' selected house designs. The Project will be responsible for facilitating the registration of replacement land and will pay all charges that will accrue from the process of acquiring the land and constructing structures on that land.
4.2.2.7.2 Implementation of Livelihood Restoration and Assistance Programmes

This activity will involve giving effect to the additional entitlements related to livelihood restoration. It will involve:

- Development by the Project of a suite of projects of initiatives for livelihood restoration and support to PAPs;
- Discussions with regional and district officials, as well as Non-governmental Organisations (NGOs) and Community Based Organisations (CBOs), to ascertain what existing development projects are in place that may be suitable to support livelihood restoration;
- Liaison with regional and district technical staff to assist with co-ordination and integration with existing livelihood support initiatives of livelihood development initiatives, where applicable;
- Assessing locally-based service providers who are able to provide training and post training support and monitoring on livelihood restoration initiatives;
- Engagement with PAPs to ensure they understand what implementation of their selected livelihood restoration options will involve; and
- Mobilisation of the necessary human, financial and material resources to implement livelihood restoration initiatives.

4.2.2.7.3 Relocation

PAPs will be served a notice to vacate, signalling that land acquisition is imminent. Sufficient time will be allowed for PAPs to prepare for relocation. During this period they will have the option of removing any parts of their structures that they wish to salvage, and any crops and/or trees as agreed.

Relocation will take place only once replacement houses and land have been prepared – or, where this is not possible, appropriate arrangements have been made for temporary accommodation (at the Project’s cost) until these are prepared. While the relocation process is underway, the Project will regularly survey the area to record and monitor the departure of PAPs. Once the Project area (or portions thereof) has been vacated, the Project will issue a notice to the Construction Contractor to proceed with the works. As far as possible, forced evictions will be avoided. If no other remedy is available and a forced eviction must be conducted, it will be done in terms of acceptable international standards.

4.2.2.7.4 Monitoring and Evaluation

Monitoring and evaluation is required for the duration of the RAP/LRP implementation process to ensure that resettlement and compensation commitments are honoured, that entitlements are delivered, that they have the intended effect in terms of restoring livelihoods of displaced persons to at least pre-resettlement levels, and where this is not achieved, that appropriate corrective measures are identified and implemented. The following types of monitoring will be undertaken:
- Process monitoring, which is an internal monitoring activity with the aim tracking the impact of the resettlement implementation process on the PAPs, their households and host communities. It ensures efficient resettlement implementation management through identification and timeous implementation of corrective actions; and

- Compliance monitoring, which is aimed at establishing whether resettlement implementation is meeting the key objectives as defined in the RAP/LRP, that PAPs received due compensation in line with the entitlements framework, and that they were able to restore their livelihoods upon resettlement. Compliance monitoring is usually conducted by an external party, at regular intervals during the implementation process. The socio-economic baseline will provide a point of reference in terms of the livelihoods and social dynamics of PAPs, households and communities before the Project intervention occurred, and will thus form the basis for monitoring re-establishment or improvement of livelihoods.

- A completion audit upon completion of RAP/LRP implementation. This will be conducted by an external party. The main purpose of the completion audit is to verify whether PAPs have been able to restore their livelihoods or whether there are corrective measures to be taken.

- An ex-post evaluation, to be undertaken three to five years after implementation of resettlement. The objective of this audit is to assess the long-term impact that resettlement has had on PAPs and host communities, and whether compensation and livelihood restoration initiatives achieved the intended benefits in a sustainable manner.

### 4.3 Roles and Responsibilities for Resettlement Planning and Implementation

The table below highlights the key functions which Government, Sovereign and Resettlement Consultant are responsible for respective steps in the resettlement planning process described throughout this Chapter. The last column in the table highlights aspects or steps which might require review, revision and/or re-initiation if Phase 2 land acquisition occurs significantly later than Phase 1.
### Table 4-2: Roles and Responsibilities throughout the Resettlement planning and land acquisition process

<table>
<thead>
<tr>
<th>Activity</th>
<th>Government of Malawi</th>
<th>Sovereign</th>
<th>Resettlement consultant</th>
<th>Phase 2 occurring significantly later than Phase 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resettlement Planning</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Gap analysis - Malawian Law and IFC PS 5 standards</td>
<td>Review and approve measures to address gaps</td>
<td>Conduct gap analysis (reported in Chapter 4 of this RPF).</td>
<td>Update in light of significant relevant changes in national legislation and international standards.</td>
<td></td>
</tr>
<tr>
<td>Define resettlement principles &amp; approach</td>
<td>Consult GoM to ensure RAP principles meet Malawian legislative requirements.</td>
<td>Review and approve proposed principles and entitlements.</td>
<td>Prepare and submit principles and approach to Sovereign.</td>
<td>Resettlement Principles will remain consistent for the Project</td>
</tr>
<tr>
<td>Confirmation of land requirements</td>
<td>EAD review project area, land uses and activities to determine RAP requirement</td>
<td>Provide required Project footprint and requirements for land acquisition.</td>
<td>Provide recommendations, if any, on options for avoiding and minimising displacement.</td>
<td>Confirm whether Phase 2 land requirements vary from the information on which initial surveys and resettlement planning were based</td>
</tr>
<tr>
<td>Preparation for data collection and resettlement planning surveys</td>
<td>Provide Government with survey and data collection plans and request approval to commence surveys.</td>
<td>Prepare survey plan, materials and equipment, identify and train survey staff, prepare survey schedule and arrange logistics for survey teams.</td>
<td>Undertake qualitative verification exercises to verify initial baseline. If major variances are detected commence supplementary data collection to update baseline data</td>
<td></td>
</tr>
<tr>
<td>Announcement of resettlement planning surveys</td>
<td>District Commissioners’ Offices and local government assist in announcement surveys.</td>
<td>Confirm commencement of survey with Government and request support at regional, district and village level. Assist with facilitation of sensitization meetings.</td>
<td>Confirm survey plan and schedule; facilitate sensitisation meetings.</td>
<td></td>
</tr>
<tr>
<td>RAP surveys</td>
<td><strong>Asset/valuation survey:</strong> Department of Lands Valuation review and verify collected data <strong>Socio-economic survey:</strong> None</td>
<td>Observe execution of surveys.</td>
<td><strong>Land adjudication survey:</strong> Record boundaries of affected land parcels as well as corresponding land user data; Generate list of Project Affected People (PAPs) and assign numbers to PAPs. <strong>Asset valuation survey:</strong> Complete asset survey for each affected Household. <strong>Socio-economic survey:</strong> Complete census and socio-economic household surveys.</td>
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<tr>
<td>Activity</td>
<td>Government of Malawi</td>
<td>Sovereign</td>
<td>Resettlement consultant</td>
<td>Phase 2 occurring significantly later than Phase 1</td>
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<tr>
<td>Provisional valuation for resettlement costing</td>
<td>The Government valuation team formulate compensation rates and use the asset inventory to determine the quantum of compensation payable for the assets or improvements affected by the Project.</td>
<td>Review preliminary valuation report.</td>
<td>Review provisional valuation report to inform entitlement framework, identify supplementary compensation and determine costing for RAP implementation</td>
<td>Not required as this RAP provides costing for planning purposes.</td>
</tr>
<tr>
<td>Socio-economic baseline</td>
<td>Review and sign off socio-economic baseline report.</td>
<td>Prepare socio-economic baseline report based on census and socio-economic information gathered during surveys.                                                                 etermine impact magnitude and describe direct and indirect effects resulting from displacement</td>
<td>Update depending on whether any major changes are detected during verification exercises</td>
<td></td>
</tr>
<tr>
<td>Impact assessment &amp; vulnerability</td>
<td>Confirm, through valuation report, category of physical and economic displacement impacts recognised in terms of Malawian practices as per valuation report</td>
<td>Review and sign off recognized impacts and additional aspects considered in terms of IFC. Provide final project footprint to determine project impact Consider and approve measures to minimise impacts</td>
<td>Determine measures to minimise displacement Establish criteria to identify vulnerable households and individuals</td>
<td>The impact assessment would need to be reviewed in light of changes in the baseline conditions and updated to reflect (a.) any additional impacts; and (b.) significant changes in impact magnitude and/or manifestation.</td>
</tr>
<tr>
<td>Entitlement and livelihood restoration framework</td>
<td>Confirm entitlement recognised in terms of Malawian legislation as well as means to determine appropriate compensation, i.e. valuation methods and basis</td>
<td>Review and sign off additional entitlements, valuation methods and compensation options for additional entitlement in terms of IFC PS 5, especially in-kind compensation and livelihood restoration strategies</td>
<td>Develop entitlement framework to ensure displacement impacts are mitigated as per requirements set out in National legislation and IFC PS 5.</td>
<td>The framework would require updates if there is any significant changes in national and/or international requirements or if the type of displacement resulting from the project changes significantly.</td>
</tr>
<tr>
<td>Identification of replacement rand &amp; resettlement rousing</td>
<td>District offices, together with Traditional Authorities and Village Leaders, assist with identification of possible options for replacement land for residential and agricultural use.</td>
<td>Request relevant Government role-players to assist in identification of replacement land.</td>
<td>Estimate replacement land requirements (based on survey findings). Facilitate identification of available replacement land for in-kind compensation in consultation with district and village authorities.</td>
<td>Identification of replacement land would can only commence once Phase 2 activities are initiated, as this will depend on the number of households selecting in-kind compensation as well as the land available at that point in time.</td>
</tr>
<tr>
<td>Activity</td>
<td>Government of Malawi</td>
<td>Sovereign</td>
<td>Resettlement consultant</td>
<td>Phase 2 occurring significantly later than Phase 1</td>
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<tr>
<td>Establish RAP consultation forum</td>
<td>Identify and assign GoM representatives to RWG</td>
<td>Facilitate establishment of RWG and assign representative to RWG</td>
<td>Establish RWG to act as an advisory body in matters related to resettlement and compensation.</td>
<td>The membership of the RAP consultation forum established during Phase 1 would need to be reviewed and updated to ensure relevant representation.</td>
</tr>
<tr>
<td>RAP Compilation</td>
<td></td>
<td>Review and approve Draft RAP</td>
<td>Develop grievance mechanism, RAP implementation costing and schedule, organisation arrangements</td>
<td>The RAP will be updated where any of the aforementioned steps require significant changes.</td>
</tr>
<tr>
<td>Submission of Draft RAP as part of ESIA</td>
<td>EAD Review and approve RAP as part of ESIA</td>
<td>Submit RAP as part of ESIA</td>
<td>Prepare RAP for submission</td>
<td>EAD will be consulted if the RAP requires any significant updates. The consultation will focus on any additional requirements in terms of disclosure and approval.</td>
</tr>
<tr>
<td>Finalise aspects of RAP in consultation with PAP through RWG</td>
<td>Participate in RWG discussions regarding entitlement framework, etc.</td>
<td>Participate in RWG discussions regarding entitlement framework, etc.</td>
<td>Finalise Entitlement Framework and relevant aspects of RAP in consultation with PAPs</td>
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<tr>
<td>Public disclosure of RAP</td>
<td>Approve final RAP to be publicly disclosed</td>
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<tr>
<td>Resettlement Implementation</td>
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</tr>
<tr>
<td>Preparation for land and asset valuation surveys</td>
<td>GoM inform and instruct relevant Government role-players (Department of Lands and Valuation, District, etc.)of pending surveys.</td>
<td>Provide Government with survey plan and request approval to commence surveys. Prepare notice to acquire land and instruct GoM to issue the notice Initiate gazettement of Project area</td>
<td>Prepare survey plan, materials and equipment, identify and train survey staff, prepare survey schedule and arrange logistics for survey teams.</td>
<td>Phase 2 implementation will follow the same steps as for Phase 1. The first steps of the implementation process, including cut-off date and valuation, will be initiated at least 2 years prior to mining commencing within the Phase 2 EZ area.</td>
</tr>
<tr>
<td>Activity</td>
<td>Government of Malawi</td>
<td>Sovereign</td>
<td>Resettlement consultant</td>
<td>Phase 2 occurring significantly later than Phase 1</td>
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</tr>
<tr>
<td>Cut-off Date and Surveys</td>
<td><strong>Issue notification of Project to acquire land and announce cut-off date</strong></td>
<td>Participate in sensitzation of communities</td>
<td>Ensure cadastral and asset survey captures all information, required for (a.) comprehensive assessment of displacement impacts (e.g. vulnerability, livelihood impacts etc.) and (b.) determining any additional cash and/or in-kind compensation required in terms of IFC PS 5. If required complete a supplementary or new socio-economic household survey and census</td>
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<td></td>
<td><strong>Land adjudication survey:</strong> Registered surveyor, District representative, Village Officers participate in/ observe land surveys. <strong>Asset/valuation survey:</strong> Government Valuer and registered surveyor observe/undertake valuation exercise; Village officer signs off on asset inventory.</td>
<td>Request gazettment of Project area</td>
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<tr>
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<td></td>
<td>Observe execution of surveys, and sign-off on household asset inventory.</td>
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</tr>
<tr>
<td>Compilation of asset inventory and valuation</td>
<td><strong>Determine valuation rates and develop valuation report defining compensation PAPs are entitlement to in terms of Malawian legislation</strong></td>
<td>Approve valuation report</td>
<td>Develop comprehensive asset inventory/database to determine entitlement in terms of national legislation and IFC PS 5. Review valuation report and identify additional/supplementary compensation for each PAP</td>
<td></td>
</tr>
<tr>
<td>Entitlement Briefings &amp; Resettlement Agreements</td>
<td><strong>District inform villages of pending Entitlement Briefings. TA and Village representatives support and witness Entitlement Briefings and signing of Resettlement Agreements with PAPs.</strong></td>
<td>Review and approve resettlement agreements Confirm commencement of Entitlement Briefings with PAPs and request support at regional, district and TA level to facilitate community sensitisation for Entitlement Briefings and finalisation of Resettlement Agreements. Sovereign representatives to witness Entitlement Briefings.</td>
<td>Prepare resettlement agreements, reflecting mandatory and supplementary compensation options. Conduct Entitlement Briefings with PAPs with support of District and Village Authorities, disclose resettlement compensation options (cash or in-kind) to PAPs, facilitate signing of Resettlement Agreements with PAPs.</td>
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</tr>
<tr>
<td>Activity</td>
<td>Government of Malawi</td>
<td>Sovereign</td>
<td>Resettlement consultant</td>
<td>Phase 2 occurring significantly later than Phase 1</td>
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<tr>
<td>Payment of Compensation</td>
<td>District Commissioners’ Offices witness sensitisation of PAPs regarding pending compensation payments.</td>
<td>Provide security assistance during to compensation payments. Authorise expenditure of compensation funds for payment to PAPs.</td>
<td>Pending decision on party responsible for payments: Plan and execute compensation payment process in consultation with District and Traditional Authority facilitation support.</td>
<td></td>
</tr>
<tr>
<td>Preparation of Replacement Land, Construction of Replacement Housing</td>
<td>GoM approves change in land use for identified replacement land, approves replacement land titles and design of infrastructure such as housing units where applicable.</td>
<td>Appoint contractors to construct replacement housing, commission cadastral survey and land titling process for replacement land parcels with support of District and Village Authorities.</td>
<td>Support identification of replacement land parcels by PAPs, administer and monitor interface between PAPs and contractors constructing replacement housing, facilitate land survey and land titling process for replacement land.</td>
<td></td>
</tr>
<tr>
<td>Implementation of Livelihood Restoration</td>
<td>District provides support through integration with existing livelihood support initiatives by Government, if applicable.</td>
<td>Give instruction to proceed with implementation of livelihood support initiatives.</td>
<td>Implement livelihood support initiatives in livelihood restoration plan in collaboration with PAPs and Government.</td>
<td></td>
</tr>
<tr>
<td>Relocation</td>
<td>Under instruction from GoM, issue notice to vacate to PAPs. District Commissioners’ Offices approve commencement of relocation, and provide support and oversight of relocation process. District Health officers oversee grave relocation.</td>
<td>Give instruction to commence relocation.</td>
<td>Execute relocation of PAPs with facilitation and support by district, traditional and village authorities.</td>
<td></td>
</tr>
<tr>
<td>Monitoring &amp; Evaluation</td>
<td>GoM provide oversight of RAP/ LRP implementation, support implementation of grievance management process.</td>
<td>Provide oversight over RAP/LRP implementation monitoring and evaluation; identify corrective measures as required; engage with Government on regular basis regarding progress with resettlement and re-establishment by PAPs.</td>
<td>Monitor and evaluate the implementation of the RAPs/LRPs, identify and implement corrective measures if required, manage resettlement grievance management process.</td>
<td></td>
</tr>
</tbody>
</table>
5. Land and Socio-economic Context

This chapter describes the land and socio-economic context within which Phase 1 and 2 of the proposed Project will be implemented. It commences with an overview of governance structures responsible for District and Village administration. This is followed by descriptions of socio-economic characteristics of potentially-affected households and land use activities coinciding with the Project footprint.

This section relies on baseline information collected through the socio-economic household survey undertaken as part of the SIA and RAP study as well as secondary data sources. Data from the household survey has been processed and analysed with output provided in the form of tables, charts and other statistical formats. Perceptions and opinions on defined issues concerning stakeholders and their communities have also been included throughout this section.

5.1 Governance and Administration

This section provides an overview of the administrative structures and land administration functions applicable in the project area. It is expected that these structures will be involved in the implementation of the RAP and potential livelihood restoration initiatives.

5.1.1 Central Government

Malawi is a multi-party presidential republic. The legislative power is held by the unicameral parliament, the National Assembly which has 193 members (CLGF, 2015). Members of the Parliament (MP) are elected by popular vote for five-year terms. The legislative power is also held by the President who is directly elected for a maximum of two five-year terms. The executive power lies with the cabinet which is appointed by the president and is composed of the vice-president only. Each ministry is subsequently subdivided into departments. The judiciary is composed by the Supreme Court of Appeal (the highest court in the country), the High Court of Malawi and other subordinate courts such as the Magistrate Courts and local (or Traditional) Courts.

5.1.2 District Authority

Malawi is divided into three Regions (North, South and Central), which are subdivided into 28 Districts. The Project is located in Lilongwe District, which is one of nine Districts comprising the Central Region. Lilongwe District was classified as a township in 1947 and has been the capitol of Malawi since 1975. The District comprises 22 constituencies, which are all held by the Malawi Congress Party.

The District Council is the highest policy-making body responsible for promoting infrastructural and economic development in the district. The Council is a political structure composed of elected councillors from the district wards and Traditional Authorities, as well as appointed members representing specific interests within the District. The Council’s secretariat is headed by a District Commissioner (DC) who supervises several departments. These include Planning and Development,
Administration, Education, Health, Environment, Forestry, Fisheries, Community Development, Agricultural Development and others. The DC and heads of departments form the District Executive Committee. The Council coordinates strategic planning for government departments in Lilongwe. Implementation of projects is carried out through extension workers who operate within their demarcated zones, such as Extension Planning Areas.

5.1.3 Traditional Authority

Districts are sub-divided into TAs and sub-TAs, which serve as non-voting members of local councils. Within each TA, Area and Village Development Committees provide representation for residents at the area (collection of villages) and village level. Each village has a VH or chief.

The villages surrounding the Project fall under the jurisdiction of the Masumbankhunda Traditional Authority (TA). The TA supervises the “Group Village Headmen” and “Village Headman/Headwomen,” in its area of jurisdiction. Responsibilities of the TA include administration of customary land, spearheading development, mobilising community participation in development programmes and keeping law and order among its subjects. Both TAs and villages have structures within which they perform their functions. The main structure at TA level is the Area Development Committee (ADC), and at the village level it is the Village Development Committee (VDC).

5.1.4 Village Authorities

Villages in the Project AoI have a VH, with multiple VHs grouped under a Group Village Headman (GVH). GVH and VH are historical titles of hereditary chiefs and are granted legal authority by the Chiefs Act (Cammack, et al. 2009). The role of the VH is to make key decisions in the interest of the village, to settle disputes (e.g. land disputes or cases of theft), to allocate land, etc. The position is passed down and chosen by family elders.

Within the Project area a households’ loyalty to a Group Village or Village Head is independent of the location of their primary residence; for example, households residing within the Ndumila area, as well as Chinungu, Biliati and Chitimbe villages endorse two or more GVHs, instead of one per village (Table 5-1).
### Table 5-1: Endorsement of GVHs across villages

<table>
<thead>
<tr>
<th>Village name / GVH</th>
<th>Chitsulo</th>
<th>Chimwendo</th>
<th>Pingeni</th>
<th>Ntanga</th>
<th>Mtali</th>
<th>Kathokamwendo</th>
<th>Ndumila</th>
<th>Mta</th>
<th>Mtonse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biliati</td>
<td>85%</td>
<td>0%</td>
<td>15%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Chigonawaya / Kathyokamwendo</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Chikalima</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Chikavala</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Chimwendo</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Chinole</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Chinungu</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>17%</td>
<td>0%</td>
<td>83%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Chitimbe</td>
<td>13%</td>
<td>0%</td>
<td>88%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Chitsulo</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Geleta</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Jaulani</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Katawa</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Kokotani</td>
<td>96%</td>
<td>0%</td>
<td>4%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Kubale</td>
<td>35%</td>
<td>0%</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
<td>43%</td>
<td>0%</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>Kumalindi</td>
<td>99%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Mbonekera</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Mning'o</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Msakambewa</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Mtali</td>
<td>0%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
<td>97%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Mta</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Ndumila 1</td>
<td>3%</td>
<td>0%</td>
<td>93%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>5%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Ndumila 2</td>
<td>99%</td>
<td>0%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Njirayatenga</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Ntanga</td>
<td>0%</td>
<td>5%</td>
<td>0%</td>
<td>92%</td>
<td>3%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47%</strong></td>
<td><strong>19%</strong></td>
<td><strong>16%</strong></td>
<td><strong>6%</strong></td>
<td><strong>5%</strong></td>
<td><strong>3%</strong></td>
<td><strong>3%</strong></td>
<td><strong>1%</strong></td>
<td><strong>1%</strong></td>
</tr>
</tbody>
</table>

### 5.1.5 Land Administration and Tenure

Under ‘public’ land tenure, land administration is the responsibility of the Ministry of Lands, Housing and Urban Development. The Department of Lands and Valuation handles all land applications in Lilongwe Town. Land allocation is managed by the Regional Commissioner for Lands and Valuation, who is supported by district officials in Lilongwe.

Land outside Lilongwe Town, including the proposed Project area, is primarily under customary land tenure, which is administered by TA Masumbankhunda through designated chiefs/headmen (Commissioner of Lands, 2019). Normally, villagers will access land through traditional procedures, such as historical settlement and family inheritance. Newcomers may acquire land that has not been claimed before. Typically, the Village Headman will allocate land in conjunction with the Group Village Headman and the TA chief. Once allocated, land is transferred through inheritance.

### 5.2 Socio-economic profile

This section, presents the findings of the census, socio-economic and asset survey. The survey included 1,045 project affected households (PAH) and 4,454 project affected persons (PAP). The
geographic and administrative locations of households included in the survey are summarised in Table 5-2, which shows that almost half of the surveyed households subscribe to the Chitsulo Group Village Head (GVH), followed by those loyal to the GVHs of Chimwendo and Pingeni.

### Table 5-2: Geographic and administrative distribution of households

<table>
<thead>
<tr>
<th>GVH</th>
<th>Households (HHs)</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Chimwendo</td>
<td>198</td>
<td>18.9%</td>
</tr>
<tr>
<td>Chitsulo</td>
<td>488</td>
<td>46.7%</td>
</tr>
<tr>
<td>Kathyokamwendo</td>
<td>31</td>
<td>3.0%</td>
</tr>
<tr>
<td>Manase</td>
<td>7</td>
<td>0.7%</td>
</tr>
<tr>
<td>Mtali</td>
<td>56</td>
<td>5.4%</td>
</tr>
<tr>
<td>Mtata</td>
<td>12</td>
<td>1.1%</td>
</tr>
<tr>
<td>Ndumila</td>
<td>29</td>
<td>2.8%</td>
</tr>
<tr>
<td>Ntanga</td>
<td>58</td>
<td>5.6%</td>
</tr>
<tr>
<td>Pingeni</td>
<td>166</td>
<td>15.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1045</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

### 5.2.1 Demographics

The information presented in the following sub-sections indicates a relatively homogenous picture in terms of the demographic characteristics of households surveyed throughout the Project Area.

#### 5.2.1.1 Age and Gender Distribution

The gender ratio among the PAPs is almost equal (48% male, 52% female). The age / gender distribution is typical of a population that is gradually increasing as a result of natural growth (as opposed to in-migration of – mostly male – job-seekers) (Figure 5-1). The relatively flat base of the pyramid suggests a high population growth rate, which is typical for most parts of rural Africa. This is borne out by the young age profile; 56% of PAPs are under 20 years of age and the average age across both gender groups is between 23 and 24 years. However, there is a considerable variance between the 0-4 year and 5-14 year age cohorts, with the former being almost 4% lower across gender lines. This could either be the result of a reduced growth rate or increased mortality rates among infants and/or young children.
Figure 5-1: Age and gender distribution

Just more than half of all households are headed by women (Table 5-3). A total of 46 (or 4%) of households are headed by children, who are mostly female and younger than 20 years.

Table 5-3: Percentage of female-and child headed households

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>%</th>
<th>Child</th>
<th>%</th>
<th>Total**</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>572</td>
<td>55%</td>
<td>46</td>
<td>4%</td>
<td>586</td>
<td>57%</td>
</tr>
</tbody>
</table>

** Thirty-two female headed households are headed by women younger than 20 years old, and are thus included in both categories, but only once in the total figures to avoid double counting.

5.2.1.2 Household Size and Composition

The average household size (calculated by dividing the total number of PAPs by the number of PAHs) is 4 members, with the maximum PAH size of 11 members. The majority of PAHs have between one and seven members, with only a very small proportion of households comprising more than eight members (Figure 5-2).
The composition of a typical household is shown in Figure 5-3, which indicates that it is uncommon for extended family members to share the same home, as less than 10% of PAHs comprise grandchildren, grandparents and other relatives, or persons who are not related to but dependent on the PAH (such as foster children). Comparing the ratio of children to parents (household head or his/her spouse), one finds that the average couple has between two and three children living with them. This number does not include children who may already have left the household to start their own families elsewhere in the village.

**Figure 5-2: Household size distribution**

**Figure 5-3: Relationship of household members to the household head**
5.2.1.3 Civil Status

The marital status of PAPs 20 years and older is shown in Figure 5-4, which indicates that more than 70% of PAPs are married by that age, and divorce is rare; however, it should be noted that the proportion of divorced or separated females is marginally higher compared to males. There is clear preference for traditional over civil marriages. There are also a higher proportion of widowed females, which could be indicative of higher mortality rates among males. Polygamy is rare with only 3% (or 19) of PAHs being of this nature. Generally polygamous households comprise not more than two spouses, with only two PAHs reporting to have three or more wives.

![Figure 5-4: Marital status of Persons 20 years and older](image)

5.2.1.4 Migration

It was mentioned in Section 5.2.1.1 that PAP’s age profile is indicative of a population that is gradually increasing as a result of natural growth; Table 5-4 supports this by showing that the area has not experienced any significant influx of people in the recent past; the majority of PAH’s have been living in their current village for five years or more, with almost all PAPs (92%) residing permanently at their respective homesteads. Only 2% of PAHs have occupied their current place of residence for less than one year. Of the PAHs, 9% (or 97 households) reported that they have a second home; of these, two thirds are located in the same TA (Masumbankhunda).
Table 5-4: Years of residency in current village

<table>
<thead>
<tr>
<th>Years of residency</th>
<th>5 or more years</th>
<th>2-5 years</th>
<th>1-2 years</th>
<th>6-12 months</th>
<th>6 months or less</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>92%</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
</tr>
</tbody>
</table>

5.2.1.5 Ethnicity, Language and Religion

The majority of PAHs are homogenous in terms of ethnicity, language and religion. In terms of home language and ethnicity almost all PAHs (99%) speak Chichewa and classify themselves as members of the Chewa group. The vast majority of PAHs are Christian (95%), with the most prominent denominations being the African Abraham, Catholic, Jehovah and Pentecostal denominations.

5.2.1.6 Education

School attendance is high among children within the Project area, irrespective of gender grouping; of children between 5 and 20 years, nearly 80% of girls and boys were reported as currently attending school. Education levels among almost two thirds of adults is relatively low with just more than two thirds indicating that the only attained some level of primary education, with only 3% indicating that they have completed secondary schooling. Literacy levels among the surveyed population indicates that nearly half of those older than eight years are able to read; however, the literacy rate was significantly lower among females (43%), when compared to their male counterparts (53%).

Figure 5-5: Education Levels of Persons over 20 Years
Figure 5-6: Literacy Levels of Persons Older than 8 Years

5.2.2 Land Use and Tenure

As mentioned earlier the majority of the Project area is classified as customary land, this is reaffirmed in the survey, which found that more than 90% of all households have customary rights to their agricultural plots which they have generally acquired through inheritance (Figure 5-7). Less than 5% of PAHs indicated that they purchased their agricultural plots, in which case it is still classified as customary land.

Generally land is held by the household head or their parents (Figure 5-8). The fact that inheritance is the most dominant mechanism of land transfer/acquisition is also reflected in the average duration of ownership, which is more than 20 years (Figure 5-9); however, it should be noted that this figure is skewed by fields that have been held by households for multiple generations (i.e. more than 30 years), as 40% of fields have been held by households for less than 15 years.

The Project area also coincides with sections of Public land, including land reserved for public infrastructure. It is not uncommon for unpermitted land uses occur within these areas, such as any settlement or crop farming with the S 124 road servitude. In most cases these households will have no legitimate tenure claims on their structures or the land on which these are located.
Figure 5-7: Types of tenure on agricultural plots

Figure 5-8: Ownership of agricultural plots
5.2.3 Livelihoods

For the purpose of this survey, livelihood was defined as the strategies that households and individuals employ to meet their economic and survival needs. Such strategies may involve cash income, but this is not necessarily the case – a household may also meet its needs by growing its own food or bartering produce for necessities. A household or individual may also engage in more than one form of livelihood, some being cash-based and others being subsistence-oriented. Section 5.2.3.1 below discusses the contribution of individual PAPs to the household economy, followed by Section 5.2.3.2 which identifies the most common cash-based livelihoods practiced by PAHs as a whole. Detail on other forms of livelihood is provided thereafter, including agriculture, livestock, and small-scale trading.

5.2.3.1 Contribution of Individuals to the Household Economy

Farming is the most common livelihood strategy among all PAPs older than 18 years of age, practiced as primary occupation by 84% of PAPs (see Table 5-5). Petty trading with and without a stall is the second most common activity followed by those occupying themselves with domestic work. This pattern correlates with employment figures illustrated in Figure 5-10, which shows the majority of individuals being self-employed (either through farming or trading) and/or seasonally employed. Only a very small proportion of PAPs is formally employed; those who are formally employed tend to be male (Figure 5-11). Among those that are unemployed, females far outnumber their male counterparts.
Table 5-5: Primary Occupations of Persons 18 Years and Older

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming</td>
<td>84%</td>
</tr>
<tr>
<td>Trading no structure</td>
<td>4%</td>
</tr>
<tr>
<td>Domestic work</td>
<td>3%</td>
</tr>
<tr>
<td>Trading stall</td>
<td>2%</td>
</tr>
<tr>
<td>Beer brewing and selling</td>
<td>1%</td>
</tr>
<tr>
<td>Trading</td>
<td>1%</td>
</tr>
<tr>
<td>Fishing</td>
<td>1%</td>
</tr>
<tr>
<td>Skilled labourer</td>
<td>1%</td>
</tr>
<tr>
<td>Selling charcoal/firewood</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
</tr>
</tbody>
</table>

Figure 5-10: Employment status
Just less than 70% of PAPs older than 18 years have some form of cash income, indicating that most individuals practicing farming as their primary occupation do it on a subsistence basis. The main income provider is generally the household head, who is mostly male. The distribution of total reported household incomes is shown in Figure 5-13, which shows that the majority of individuals (64%) earn less than 30 000 Kwacha (or USD 40) per month. There is some significant disparity both in terms of average income per individuals across gender lines. The average monthly income among males is almost double compared to what females receive (Table 5-7). There is thus no clear correlation between reported individual income levels and the distribution of livelihood strategies across PAHs. However, experience shows that all reported income figures should be interpreted with caution, as these are often subject to exaggeration or numerical error.
Table 5-6: Distribution of individual income per month

<table>
<thead>
<tr>
<th>Income bracket (Kwacha)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 000 or less</td>
<td>26%</td>
</tr>
<tr>
<td>10 001-20 000</td>
<td>22%</td>
</tr>
<tr>
<td>20 001 - 30 000</td>
<td>16%</td>
</tr>
<tr>
<td>30 001 - 40 000</td>
<td>11%</td>
</tr>
<tr>
<td>40 001 - 50 000</td>
<td>8%</td>
</tr>
<tr>
<td>50 001 - 60 000</td>
<td>3%</td>
</tr>
<tr>
<td>60 001 - 70 000</td>
<td>2%</td>
</tr>
<tr>
<td>70 001 - 80 000</td>
<td>3%</td>
</tr>
<tr>
<td>80 001- 90 000</td>
<td>1%</td>
</tr>
<tr>
<td>90 001 - 100 000</td>
<td>3%</td>
</tr>
<tr>
<td>100 000 or more</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table 5-7: Gender comparison of average monthly individual income distribution (Kwacha)

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12 595</td>
<td>25 599</td>
<td>18 946</td>
</tr>
</tbody>
</table>

5.2.3.2 Household Income and Expenses

A household may simultaneously pursue more than one livelihood strategy. During the survey, respondents were asked to indicate all their households’ livelihoods in terms of sources of cash income within the last 12 months. As can be seen from Table 5-8, about 56% of PAHs depend on the sales of agricultural produce (crops, vegetable or fruits) and livestock as source of cash income. In contrast to the small proportion of adult individuals earning a monthly income, most households received some form of cash within the month preceding the survey. The distribution of the monthly household income is presented in Table 5-9, which indicates an average amount of 96 508 Kwacha (or 130 USD), with male headed households generally receiving a substantially higher income.

It should be noted that the average monthly income is significantly skewed by a small number of households earning relatively large monthly sums, this is evident in the frequency distribution of presented in Figure 5-14, which shows that almost three quarters of PAHs actually reported earning less than 70 000 Kwacha (or 100 USD) in the month prior to the survey.
Table 5-8: Household sources of income during the last 12 months

<table>
<thead>
<tr>
<th>Source of income</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crop sales</td>
<td>22%</td>
</tr>
<tr>
<td>Salary</td>
<td>18%</td>
</tr>
<tr>
<td>Vegetable sales</td>
<td>12%</td>
</tr>
<tr>
<td>Livestock sales</td>
<td>11%</td>
</tr>
<tr>
<td>Fruit sales</td>
<td>8%</td>
</tr>
<tr>
<td>Selling charcoal/firewood</td>
<td>7%</td>
</tr>
<tr>
<td>Remittances</td>
<td>6%</td>
</tr>
<tr>
<td>Savings</td>
<td>5%</td>
</tr>
<tr>
<td>Selling fish</td>
<td>3%</td>
</tr>
<tr>
<td>Making and selling bricks</td>
<td>3%</td>
</tr>
<tr>
<td>Sales of animal products</td>
<td>1%</td>
</tr>
<tr>
<td>Selling drinks (e.g. beer)</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
</tr>
</tbody>
</table>

Figure 5-13: Households receiving cash income last month

Table 5-9: Average monthly household income last month (Kwacha)

<table>
<thead>
<tr>
<th>Household Head Gender</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>89 847</td>
<td>104 815</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Respondents were asked to indicate their most common forms of household expenditure; food (including cereal and meat), medical expenses, clothes and education fees represent the most common expenditure items, whereas boarding costs and business supplies were the most expensive items (Table 5-10).
Table 5-10: Household Expenses

<table>
<thead>
<tr>
<th>Expenditure item</th>
<th>Proportion of PAHs spending money in the last month</th>
<th>Average expenditure (Kwacha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hygiene</td>
<td>97%</td>
<td>3 483</td>
</tr>
<tr>
<td>Other food</td>
<td>95%</td>
<td>4 029</td>
</tr>
<tr>
<td>Meat</td>
<td>93%</td>
<td>4 408</td>
</tr>
<tr>
<td>Cereal</td>
<td>92%</td>
<td>5 544</td>
</tr>
<tr>
<td>Clothing</td>
<td>86%</td>
<td>5 019</td>
</tr>
<tr>
<td>Medical expenditure</td>
<td>86%</td>
<td>3 356</td>
</tr>
<tr>
<td>Agriculture</td>
<td>68%</td>
<td>6 507</td>
</tr>
<tr>
<td>Vehicle</td>
<td>61%</td>
<td>4 960</td>
</tr>
<tr>
<td>School</td>
<td>54%</td>
<td>6 223</td>
</tr>
<tr>
<td>Furniture</td>
<td>42%</td>
<td>4 156</td>
</tr>
<tr>
<td>Building repair/ construction</td>
<td>27%</td>
<td>7 918</td>
</tr>
<tr>
<td>Energy</td>
<td>26%</td>
<td>2 539</td>
</tr>
<tr>
<td>Phone</td>
<td>26%</td>
<td>3 942</td>
</tr>
<tr>
<td>Boarding</td>
<td>5%</td>
<td>17 850</td>
</tr>
<tr>
<td>Bicycle maintenance</td>
<td>2%</td>
<td>8 981</td>
</tr>
<tr>
<td>Water</td>
<td>2%</td>
<td>1 250</td>
</tr>
<tr>
<td>Business supplies</td>
<td>1%</td>
<td>13 167</td>
</tr>
<tr>
<td>Electricity</td>
<td>1%</td>
<td>4 643</td>
</tr>
<tr>
<td>Rental</td>
<td>1%</td>
<td>3 769</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>4 767</strong></td>
</tr>
</tbody>
</table>

5.2.3.3 Agriculture

The majority of PAHs (97%) indicated that they have access to arable land, with most having access to one agricultural plot, followed by 22% that have access to two fields (Figure 5-15). The size of agricultural plots rarely exceed 1 hectare (ha) and comprise almost half an hectare on average (Table 5-11 and Table 5-12). In most instances fields are situated within a one hours’ walk from the owner’s residence (Figure 5-16). As indicated in Section 5.2.3.1, 84% of individuals older than 18 indicated farming as their primary occupation, while 45% of households depend on land-based activities for various sources of cash income.

Table 5-11: Household fields: Average, maximum and size

<table>
<thead>
<tr>
<th>All fields (surveyed HHS)</th>
<th>Average fields per HH</th>
<th>Maximum fields</th>
<th>Average size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 067</td>
<td>2</td>
<td>11</td>
<td>0.47</td>
</tr>
</tbody>
</table>
Table 5-12: Distribution of agricultural plots according land area (ha)

<table>
<thead>
<tr>
<th>Field category</th>
<th>Number of parcels</th>
<th>Proportion</th>
<th>Total area</th>
<th>Average Parcel Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smaller than 0.25</td>
<td>286</td>
<td>27%</td>
<td>39.57</td>
<td>0.14</td>
</tr>
<tr>
<td>0.25-0.50</td>
<td>441</td>
<td>41%</td>
<td>162.67</td>
<td>0.37</td>
</tr>
<tr>
<td>0.51-0.75</td>
<td>174</td>
<td>16%</td>
<td>107.48</td>
<td>0.62</td>
</tr>
<tr>
<td>0.75-1.00</td>
<td>82</td>
<td>8%</td>
<td>69.79</td>
<td>0.85</td>
</tr>
<tr>
<td>1.01-1.25</td>
<td>45</td>
<td>4%</td>
<td>50.17</td>
<td>1.11</td>
</tr>
<tr>
<td>1.26-1.50</td>
<td>17</td>
<td>2%</td>
<td>22.83</td>
<td>1.34</td>
</tr>
<tr>
<td>Larger than 1.51</td>
<td>22</td>
<td>2%</td>
<td>44.45</td>
<td>2.02</td>
</tr>
<tr>
<td>Total</td>
<td>1067</td>
<td></td>
<td>496.97</td>
<td>0.47</td>
</tr>
</tbody>
</table>

Figure 5-15: Distribution of agricultural plots per household

Figure 5-16: Average duration for travel time
Fields are mostly reserved for household use, with only one fifth used for shared cropping (Table 5-13). Respondents were asked to indicate the primary crop grown (i.e. the crop covering the largest proportion of all their fields). The responses to this question are summarised in Figure 5-17, which shows that households typically cultivate a limited variety of crops, with maize and ground nuts being the most common across all areas. The average quantity of each crop produced per annum is summarized per farm size in Table 5-14, which shows a clear correlation between farm area and production levels. Crops are generally grown for selling as well as domestic consumption. Households prefer to sell agricultural produce at Malingunde Market, with a considerable number also selling produce from their homestead or along Lilongwe road (Figure 5-18).

### Table 5-13: Field usage

<table>
<thead>
<tr>
<th>Household use</th>
<th>Share cropping</th>
<th>Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>81%</td>
<td>18%</td>
<td>1%</td>
</tr>
</tbody>
</table>

![Figure 5-17: Crops Grown (Shown as % of Households)](image)
Table 5-14: Average Produce per farm size (kg)

<table>
<thead>
<tr>
<th>Produce</th>
<th>&lt;0.50 ha</th>
<th>0.51-1.00 ha</th>
<th>1.01-1.50 ha</th>
<th>1.51-2.00 ha</th>
<th>2.01 ha</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1 650</td>
<td>6 586</td>
</tr>
<tr>
<td>Sugarcane</td>
<td>638</td>
<td>2 888</td>
<td>1 000</td>
<td>-</td>
<td>-</td>
<td>1 249</td>
</tr>
<tr>
<td>Groundnuts</td>
<td>1 110</td>
<td>1 179</td>
<td>1 964</td>
<td>1 790</td>
<td>4 315</td>
<td>1 228</td>
</tr>
<tr>
<td>Soy</td>
<td>1 200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1 200</td>
</tr>
<tr>
<td>Potato</td>
<td>789</td>
<td>1 133</td>
<td>10 000</td>
<td>-</td>
<td>-</td>
<td>1 185</td>
</tr>
<tr>
<td>Sweet potatoes</td>
<td>558</td>
<td>1 950</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>906</td>
</tr>
<tr>
<td>Maize</td>
<td>675</td>
<td>1 038</td>
<td>979</td>
<td>1 276</td>
<td>1 420</td>
<td>842</td>
</tr>
<tr>
<td>Cassava</td>
<td>608</td>
<td>750</td>
<td>1 000</td>
<td>0</td>
<td>5 000</td>
<td>811</td>
</tr>
<tr>
<td>Tomatoes</td>
<td>523</td>
<td>125</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>476</td>
</tr>
<tr>
<td>Vegetables</td>
<td>418</td>
<td>533</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>438</td>
</tr>
<tr>
<td>Beans</td>
<td>235</td>
<td>625</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>430</td>
</tr>
<tr>
<td>Intercropped maize &amp; groundnuts</td>
<td>50</td>
<td>-</td>
<td>600</td>
<td>-</td>
<td>400</td>
<td>350</td>
</tr>
<tr>
<td>Cabbages</td>
<td>317</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>317</td>
</tr>
<tr>
<td>Soya</td>
<td>287</td>
<td>400</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>304</td>
</tr>
<tr>
<td>Rice</td>
<td>150</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>150</td>
</tr>
<tr>
<td>Cow peas</td>
<td>125</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>125</td>
</tr>
<tr>
<td>Fruit trees</td>
<td>-</td>
<td>-</td>
<td>88</td>
<td>-</td>
<td>-</td>
<td>88</td>
</tr>
<tr>
<td>Bananas</td>
<td>-</td>
<td>50</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>743</td>
<td>1 153</td>
<td>1 287</td>
<td>1 350</td>
<td>1 861</td>
<td>943</td>
</tr>
</tbody>
</table>

Figure 5-18: Point of Sales for Agricultural Produce

Households reported good access to agricultural extension services such as improved seed varieties and fertilizer, with more than 80% of PAHs indicating that they are able to purchase both seeds and fertilizer (Figure 5-19). Households most commonly use chemical fertilizer or combination fertilizers during cultivation (Figure 5-20).
5.2.3.4 Economic Trees

Most PAHs depend on a variety of fruit, medicinal and other economic tree species found in their environment. Households were asked to indicate the type and number of trees they use for subsistence and/or economic purposes, these responses are summarized in...
Table 5-15 below.
Table 5-15: Percentage of Households Harvesting Natural Resources

<table>
<thead>
<tr>
<th>Tree</th>
<th>Number of HHs with atleast 1</th>
<th>Average per HH</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banana</td>
<td>89</td>
<td>671</td>
<td>59718</td>
</tr>
<tr>
<td>Khonje</td>
<td>22</td>
<td>2444</td>
<td>53759</td>
</tr>
<tr>
<td>Chinsale</td>
<td>485</td>
<td>43</td>
<td>20728</td>
</tr>
<tr>
<td>Sisal</td>
<td>12</td>
<td>1470</td>
<td>17635</td>
</tr>
<tr>
<td>Acacia</td>
<td>363</td>
<td>36</td>
<td>12969</td>
</tr>
<tr>
<td>Mango</td>
<td>406</td>
<td>17</td>
<td>6989</td>
</tr>
<tr>
<td>Msungwi</td>
<td>5</td>
<td>1190</td>
<td>5951</td>
</tr>
<tr>
<td>Bamboo</td>
<td>28</td>
<td>206</td>
<td>5772</td>
</tr>
<tr>
<td>Nsewa</td>
<td>242</td>
<td>22</td>
<td>5294</td>
</tr>
<tr>
<td>Maye</td>
<td>208</td>
<td>21</td>
<td>4316</td>
</tr>
<tr>
<td>Muwale</td>
<td>421</td>
<td>8</td>
<td>3475</td>
</tr>
<tr>
<td>Msewa</td>
<td>130</td>
<td>25</td>
<td>3293</td>
</tr>
<tr>
<td>Bluegum</td>
<td>56</td>
<td>58</td>
<td>3222</td>
</tr>
<tr>
<td>Kewha</td>
<td>58</td>
<td>53</td>
<td>3054</td>
</tr>
<tr>
<td>Malaina</td>
<td>116</td>
<td>20</td>
<td>2304</td>
</tr>
<tr>
<td>Guava</td>
<td>104</td>
<td>22</td>
<td>2274</td>
</tr>
<tr>
<td>Matowo</td>
<td>116</td>
<td>18</td>
<td>2051</td>
</tr>
<tr>
<td>Kakhobo</td>
<td>16</td>
<td>124</td>
<td>1989</td>
</tr>
<tr>
<td>India</td>
<td>187</td>
<td>10</td>
<td>1811</td>
</tr>
<tr>
<td>Msangu</td>
<td>11</td>
<td>162</td>
<td>1778</td>
</tr>
<tr>
<td>Chitimbe</td>
<td>71</td>
<td>24</td>
<td>1703</td>
</tr>
<tr>
<td>Mthethe</td>
<td>129</td>
<td>13</td>
<td>1699</td>
</tr>
<tr>
<td>Mpasa</td>
<td>26</td>
<td>53</td>
<td>1366</td>
</tr>
<tr>
<td>Hedge</td>
<td>28</td>
<td>44</td>
<td>1231</td>
</tr>
<tr>
<td>Kakunguni</td>
<td>98</td>
<td>11</td>
<td>1076</td>
</tr>
<tr>
<td>Gmelina</td>
<td>41</td>
<td>24</td>
<td>987</td>
</tr>
<tr>
<td>Cinderella</td>
<td>59</td>
<td>16</td>
<td>950</td>
</tr>
<tr>
<td>Mwimbi</td>
<td>166</td>
<td>6</td>
<td>941</td>
</tr>
<tr>
<td>Mkhuthe</td>
<td>107</td>
<td>8</td>
<td>902</td>
</tr>
<tr>
<td>Pawpaw</td>
<td>13</td>
<td>68</td>
<td>878</td>
</tr>
<tr>
<td>Mdima</td>
<td>9</td>
<td>80</td>
<td>722</td>
</tr>
<tr>
<td>Kangamtondo</td>
<td>106</td>
<td>7</td>
<td>715</td>
</tr>
<tr>
<td>Mtwo</td>
<td>50</td>
<td>11</td>
<td>573</td>
</tr>
<tr>
<td>Nkhunkhu</td>
<td>15</td>
<td>30</td>
<td>443</td>
</tr>
<tr>
<td>Msatsi</td>
<td>10</td>
<td>39</td>
<td>391</td>
</tr>
<tr>
<td>Mdima</td>
<td>11</td>
<td>35</td>
<td>382</td>
</tr>
<tr>
<td>Lemon</td>
<td>10</td>
<td>38</td>
<td>378</td>
</tr>
<tr>
<td>Khuthe</td>
<td>11</td>
<td>23</td>
<td>249</td>
</tr>
<tr>
<td>Mphimphya</td>
<td>31</td>
<td>6</td>
<td>173</td>
</tr>
<tr>
<td>Mphando</td>
<td>21</td>
<td>8</td>
<td>170</td>
</tr>
<tr>
<td>Chilengedwe</td>
<td>1</td>
<td>138</td>
<td>138</td>
</tr>
<tr>
<td>Nalimphangale</td>
<td>15</td>
<td>8</td>
<td>127</td>
</tr>
<tr>
<td>Msantsi</td>
<td>1</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td>Other trees</td>
<td>393</td>
<td>5</td>
<td>1887</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>53</strong></td>
<td></td>
<td><strong>236564</strong></td>
</tr>
</tbody>
</table>
5.2.3.5 Livestock and Poultry

Livestock husbandry is fairly common amongst the surveyed households affected, with poultry, goats and pigs being the most common types of animals kept by households (Table 5-16).

Table 5-16: Livestock Ownership

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Cattle</th>
<th>Chicken</th>
<th>Donkeys</th>
<th>Ducks</th>
<th>Goats</th>
<th>Guinea Fowl</th>
<th>Pigeon</th>
<th>Pigs</th>
<th>Rabbits</th>
<th>Guinea Pig</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. HH with at least 1</td>
<td>31</td>
<td>412</td>
<td>4</td>
<td>6</td>
<td>264</td>
<td>3</td>
<td>6</td>
<td>117</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Total Owned</td>
<td>117</td>
<td>3249</td>
<td>16</td>
<td>24</td>
<td>959</td>
<td>11</td>
<td>118</td>
<td>391</td>
<td>218</td>
<td>24</td>
</tr>
<tr>
<td>Average per HH</td>
<td>4</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>20</td>
<td>3</td>
<td>9</td>
<td>24</td>
</tr>
</tbody>
</table>

5.2.3.6 Small-Scale Trading

As mentioned in Section 5.2.3.1, small-scale trading represents a primary occupation for approximately one in ten individuals. Roadside stalls used for such petty trading are evident in most surveyed settlements; 9% (or 95) of PAHs reported that their residences are also used for business purposes. The main trading or business activities are beer brewing/selling, cooking and selling food, grocery and crop sales (Figure 5-21).

Figure 5-21: Types of Businesses

5.2.3.7 Tenants

Very few PAHs (5) reported that they have any tenants living in a building owned by them. This figure is consistent with the small number of respondents who identified rent from tenants as a source of household income – see 5.2.3.2.
5.2.4 Indicators of Poverty and Vulnerability

This section focuses on socio-economic attributes that reflect poverty, and may indicate vulnerability to future negative impacts related to the Project. These attributes include food security, household ownership of moveable assets (which is a proxy indicator of household wealth), identified household needs, disability among household members, community health and availability of social networks.

5.2.4.1 Food Security

Of the surveyed households, almost 46% indicated that they had suffered a food shortage at some point during the past year prior to the survey (Table 5-17). As can be seen from Table 5-17 and Figure 5-22, food shortages are often seasonal and most frequently encountered during the months of November to March; household shortages do not differ significantly across male and female headed households. The most commonly reported reasons for shortages reported is lack of household income, droughts or households selling crop reserves.

Table 5-17: Prevalence of Food Shortage

<table>
<thead>
<tr>
<th>% HHs Food shortage</th>
<th>Reasons for shortage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lack of cash to buy food</td>
</tr>
<tr>
<td>46%</td>
<td>64%</td>
</tr>
</tbody>
</table>

Figure 5-22: Food Shortage through the year (number of PAH by household head gender)
5.2.4.2 Household Ownership of Moveable Assets

As mentioned, data on household ownership of moveable assets can be useful as a proxy indicator of household wealth, and may be more reliable than reported household income (which is prone to numerical errors and misrepresentation). Accordingly, data was collected on the numbers of households who own at least one of various types of moveable assets – furniture, cell phones, bicycles, plows, hoes etc. As can be seen from Table 5-18, the most common moveable assets are tools used for farming or to harvest firewood for energy or selling purposes (hoes and axes), bicycles, cell phones and radios.

Table 5-18: Moveable household assets (% PAHs who own at least one)

<table>
<thead>
<tr>
<th>Asset</th>
<th>% HH owning at least 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoe</td>
<td>96%</td>
</tr>
<tr>
<td>Axe</td>
<td>65%</td>
</tr>
<tr>
<td>Bicycle</td>
<td>55%</td>
</tr>
<tr>
<td>Radio</td>
<td>39%</td>
</tr>
<tr>
<td>Mobile phone</td>
<td>28%</td>
</tr>
<tr>
<td>Charcoal Stove</td>
<td>23%</td>
</tr>
<tr>
<td>Solar power</td>
<td>13%</td>
</tr>
<tr>
<td>Wheelbarrow</td>
<td>6%</td>
</tr>
<tr>
<td>TV</td>
<td>6%</td>
</tr>
<tr>
<td>DVD Player</td>
<td>5%</td>
</tr>
<tr>
<td>Motorbike</td>
<td>4%</td>
</tr>
<tr>
<td>Wood Stove</td>
<td>4%</td>
</tr>
<tr>
<td>Cart</td>
<td>3%</td>
</tr>
<tr>
<td>Sewing machine</td>
<td>1%</td>
</tr>
<tr>
<td>Generator</td>
<td>1%</td>
</tr>
<tr>
<td>Motor vehicle</td>
<td>1%</td>
</tr>
<tr>
<td>Fridge</td>
<td>1%</td>
</tr>
<tr>
<td>Gas Stove</td>
<td>1%</td>
</tr>
<tr>
<td>Plough</td>
<td>1%</td>
</tr>
</tbody>
</table>

5.2.4.3 Community Health

Respondents were presented with a list of common health conditions, and were asked to indicate if any of their family members had suffered from the conditions in the past year. As shown in Table 5-19, malaria is by far the most common disease to affect households, with 36% of PAHs having had on average one member recently infected. In most cases, households seek treatment from a doctor or nurse, with the treatment being on-going due to the recurrence of the disease. Other common health conditions are flu, coughs indicating respiratory problems and stomach ailments, generally individuals consult a doctor for treatment. Figure 5-23 indicates that those affected by the aforementioned health conditions have access to a private hospital/health facility, church hospital and health care worker, although transport to these facilities is often limited. Almost 60% of PAHs report
that their children have received vaccincations; and only 38% of PAHs reported that they have mosquito nets.

Table 5-19: Prevalence of common health conditions among households

<table>
<thead>
<tr>
<th>Health condition</th>
<th>% of HH Affected</th>
<th>Average number per affected HH</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Doctor</td>
</tr>
<tr>
<td>Malaria</td>
<td>36%</td>
<td>1.3</td>
<td>89%</td>
</tr>
<tr>
<td>Flue</td>
<td>4%</td>
<td>1.1</td>
<td>88%</td>
</tr>
<tr>
<td>Coughs</td>
<td>3%</td>
<td>1.2</td>
<td>85%</td>
</tr>
<tr>
<td>Stomach ache</td>
<td>3%</td>
<td>1.0</td>
<td>94%</td>
</tr>
<tr>
<td>Asthma</td>
<td>3%</td>
<td>1.1</td>
<td>100%</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>2%</td>
<td>1.0</td>
<td>85%</td>
</tr>
<tr>
<td>Anaemia</td>
<td>2%</td>
<td>1.0</td>
<td>100%</td>
</tr>
<tr>
<td>Blood pressure</td>
<td>2%</td>
<td>1.0</td>
<td>92%</td>
</tr>
<tr>
<td>Back aches</td>
<td>2%</td>
<td>1.0</td>
<td>79%</td>
</tr>
<tr>
<td>Diarrhoea</td>
<td>2%</td>
<td>1.1</td>
<td>89%</td>
</tr>
<tr>
<td>Swollen extremities</td>
<td>1%</td>
<td>1.2</td>
<td>100%</td>
</tr>
<tr>
<td>Headaches/Litsipa</td>
<td>2%</td>
<td>1.0</td>
<td>95%</td>
</tr>
<tr>
<td>Body aches</td>
<td>1%</td>
<td>1.0</td>
<td>92%</td>
</tr>
<tr>
<td>Nyamakazi (i.e. Rheumatism)</td>
<td>1%</td>
<td>1.0</td>
<td>75%</td>
</tr>
<tr>
<td>Epilepsy</td>
<td>1%</td>
<td>1.0</td>
<td>78%</td>
</tr>
<tr>
<td>Tuberculosis</td>
<td>1%</td>
<td>1.1</td>
<td>100%</td>
</tr>
<tr>
<td>Heart problems</td>
<td>1%</td>
<td>1.0</td>
<td>89%</td>
</tr>
<tr>
<td>Dental problems</td>
<td>1%</td>
<td>1.0</td>
<td>100%</td>
</tr>
<tr>
<td>Leg ache</td>
<td>1%</td>
<td>1.0</td>
<td>86%</td>
</tr>
<tr>
<td>Skin disease (or skin sores)</td>
<td>0.5%</td>
<td>1.2</td>
<td>83%</td>
</tr>
<tr>
<td>Ulcers</td>
<td>0.5%</td>
<td>1.0</td>
<td>100%</td>
</tr>
<tr>
<td>Kidney problems</td>
<td>0.5%</td>
<td>1.0</td>
<td>100%</td>
</tr>
<tr>
<td>Mental illness</td>
<td>0.4%</td>
<td>1.0</td>
<td>75%</td>
</tr>
</tbody>
</table>

Figure 5-23: Utilisation of health facilities by household
5.2.4.4 Disability

During the survey, 13% of PAHs indicated that they have one or more household member who has some form of mental or physical disability. Few of these households have two or more disabled members. Numbers of individuals with various types of disability are shown in Table 5-20, followed by Table 5-21, which shows that lack of physical mobility (largely related to old age) is the most common form of disability, followed by those affected by hearing, visual and mental impairments.

Table 5-20: Numbers of Disabled Household Members per Household

<table>
<thead>
<tr>
<th>Total</th>
<th>Number of Disabled per Household</th>
<th>% PAHs with a disabled member</th>
</tr>
</thead>
<tbody>
<tr>
<td>132</td>
<td>1 2 3 5 8</td>
<td>13%</td>
</tr>
</tbody>
</table>

Table 5-21: Numbers of Individuals per Type of Disability

<table>
<thead>
<tr>
<th>Physical</th>
<th>Hearing</th>
<th>Visual</th>
<th>Mental</th>
<th>Multiple</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>55</td>
<td>36</td>
<td>32</td>
<td>31</td>
<td>1</td>
<td>155</td>
</tr>
</tbody>
</table>

5.2.4.5 Social Networks

The lack of social networks constitutes an indicator of vulnerability, since such networks can play a significant role in terms of providing support and assistance to households who are experiencing difficulties. During the socio-economic survey, most respondents indicated that they have relatives and friends in the village where they live. Figure 5-24 indicates the degree to which PAHs depend on relatives or friends in the same village for assistance in various household tasks. The graph indicates a high degree of reliance, especially in terms of cultivating fields, looking after the sick as well as children, sharing resources such as equipment, tools or transport, and to exchange goods or services.
Figure 5-24: Degree of dependence on relatives and friends

5.2.5 Infrastructure and Services

Topics addressed in this section include housing, water and sanitation, energy and fuel used for domestic purposes, transport, access to and utilization of services, and access to credit facilities.

5.2.5.1 Housing

Most PAHs own between one and four structures, with some owning up to eleven (Figure 5-25). The proportion of PAHs owning one or more structures, as well as the type of structures owned is summarised in Table 5-22 and Table 5-23.
5.2.5.2 Water and Sanitation

Water for domestic purposes is mostly obtained from communal boreholes, with a small number of individuals also collecting water from private (or home) boreholes or wells, this trend remains invariant irrespective of whether it’s wet or dry season (Figure 5-26). Similarly the time it takes to reach the aforementioned water collection points, around 11 minutes, also do not vary significantly across seasons. The majority of households indicated that they apply treatment to their water in order to sanitize it prior consumption; where water is treated, this is usually by means adding bleach (Table 5-24).
The types of sanitation facilities used by surveyed households are shown below. The vast majority of households have access to private pit latrines. Only about 7% of households indicated that they use a shared their sanitation facility with one or more other households.

5.2.5.3 Energy

Household access and connection to the electrical grid is virtually non-existent throughout the project area. Consequently households have to rely on alternative energy sources. The most common sources of energy for lighting are flashlights (96%), and the most common source of energy for cooking is wood/charcoal (99%).

5.2.5.4 Transport and Access to Ecosystem Services and Public Facilities/Amenities

This section provides a summary of the degree of access which households have to a variety of ecosystem services, such as land, water, hunting or fishing areas etc., as well as access to public services and social amenities. Table 5-25 and Table 5-26 indicate the degree of availability of various ecosystem services and public services as well as whether these are utilized by households. Table 5-27 and Table 5-28 details the time it takes to access each of the services as well as the mode of transport used for access.
### Table 5-25: Household utilisation of eco-system services

<table>
<thead>
<tr>
<th>Resource</th>
<th>Non-existent</th>
<th>Not used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area for firewood</td>
<td>-</td>
<td>2%</td>
</tr>
<tr>
<td>Medicinal plants</td>
<td>1%</td>
<td>8%</td>
</tr>
<tr>
<td>Fishing</td>
<td>3%</td>
<td>22%</td>
</tr>
<tr>
<td>Forest food area</td>
<td>1%</td>
<td>7%</td>
</tr>
<tr>
<td>Fuel for cooking</td>
<td>-</td>
<td>2%</td>
</tr>
<tr>
<td>Hunting area</td>
<td>4%</td>
<td>27%</td>
</tr>
<tr>
<td>Main cropping land</td>
<td>-</td>
<td>1%</td>
</tr>
<tr>
<td>Water</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Table 5-26: Household utilization of public services and other amenities

<table>
<thead>
<tr>
<th>Resource</th>
<th>Non-existent</th>
<th>Not used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank credit facility</td>
<td>18%</td>
<td>10%</td>
</tr>
<tr>
<td>Bus stop</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Church/Mosque</td>
<td>-</td>
<td>4%</td>
</tr>
<tr>
<td>Clinic</td>
<td>21%</td>
<td>17%</td>
</tr>
<tr>
<td>Flour mill</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Hospital</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Administration</td>
<td>16%</td>
<td>9%</td>
</tr>
<tr>
<td>Market to buy</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Market to sell</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Police</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Primary school</td>
<td>-</td>
<td>4%</td>
</tr>
<tr>
<td>Secondary school</td>
<td>-</td>
<td>6%</td>
</tr>
<tr>
<td>Shops</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Vocational training</td>
<td>41%</td>
<td>20%</td>
</tr>
</tbody>
</table>
Table 5-27: Access and transport to available ecosystem services

<table>
<thead>
<tr>
<th>Ecosystem Service</th>
<th>Time required to access</th>
<th>Mode of transport</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 5 min</td>
<td>Up to 30 min</td>
</tr>
<tr>
<td>Area for firewood</td>
<td>14%</td>
<td>49%</td>
</tr>
<tr>
<td>Area for medicinal plants</td>
<td>10%</td>
<td>48%</td>
</tr>
<tr>
<td>Fishing</td>
<td>2%</td>
<td>61%</td>
</tr>
<tr>
<td>Forest food products</td>
<td>10%</td>
<td>39%</td>
</tr>
<tr>
<td>Fuel for cooking</td>
<td>14%</td>
<td>50%</td>
</tr>
<tr>
<td>Hunting area</td>
<td>1%</td>
<td>44%</td>
</tr>
<tr>
<td>Main cropping land</td>
<td>13%</td>
<td>75%</td>
</tr>
<tr>
<td>Water</td>
<td>51%</td>
<td>45%</td>
</tr>
</tbody>
</table>

Table 5-28: Household utilization of public services and other amenities

<table>
<thead>
<tr>
<th>Service</th>
<th>Time required to access</th>
<th>Mode of transport</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Up to 30min</td>
<td>Up to 1 hour</td>
</tr>
<tr>
<td>Bank credit facility</td>
<td>7%</td>
<td>6%</td>
</tr>
<tr>
<td>Bus stop</td>
<td>10%</td>
<td>45%</td>
</tr>
<tr>
<td>Church/Mosque</td>
<td>13%</td>
<td>77%</td>
</tr>
<tr>
<td>Clinic</td>
<td>2%</td>
<td>41%</td>
</tr>
<tr>
<td>Flour mill</td>
<td>4%</td>
<td>38%</td>
</tr>
<tr>
<td>Hospital</td>
<td>-</td>
<td>9%</td>
</tr>
<tr>
<td>Local administration</td>
<td>-</td>
<td>4%</td>
</tr>
<tr>
<td>Market to buy</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>Market to sell</td>
<td>1%</td>
<td>12%</td>
</tr>
<tr>
<td>Police</td>
<td>1%</td>
<td>4%</td>
</tr>
<tr>
<td>Primary school</td>
<td>22%</td>
<td>65%</td>
</tr>
<tr>
<td>Secondary school</td>
<td>1%</td>
<td>25%</td>
</tr>
<tr>
<td>Shops</td>
<td>16%</td>
<td>54%</td>
</tr>
<tr>
<td>Vocational training</td>
<td>1%</td>
<td>34%</td>
</tr>
</tbody>
</table>
5.3 Vulnerability

5.3.1 Vulnerability Criteria

The International Finance Corporation’s (IFC) Performance Standard 5 (PS5) requires that particular attention be given to the needs of vulnerable persons and groups. The Entitlement Framework (Chapter 7, Table 7-2) therefore includes vulnerable persons as a distinct category. In addition to the benefits they are entitled to as Project-affected persons (PAPs) and/or Project-affected households (PAHs), they are entitled to supplementary programs of social support. To qualify for additional benefits, the loss of assets or resources, and/or disruption of access to assets or resources, must potentially have a disproportionate impact on livelihoods, due to their vulnerability and/or livelihood dependency on these activities.

The IFC (PS5) broadly regards the following groups of people as potentially vulnerable:

- Those living below a defined poverty line;
- The landless;
- The elderly, women and children, especially combinations of the aforementioned;
- Indigenous groups and ethnic minorities;
- The disabled;
- Orphans;
- Communities dependent on natural resources;
- Other displaced persons who may not be protected through national land compensation or land titling legislation; and
- Otherwise disadvantaged persons.

For the purposes of this RAP, vulnerability is defined as the lack of capacity of a person or group to anticipate, cope with, resist and recover from impacts. Different levels of vulnerability may be present within a vulnerable group, e.g. all women or all poor households are not homogenous and therefore not equally vulnerable. To ensure that vulnerable PAPs/PAHs are identified and enabled to continue to access resources and livelihoods in a sustainable manner, vulnerability indicators have been identified and defined.

The indicators have been developed in the context of the current understanding of the vulnerability prevalent among PAPs/PAHs. PAHs with vulnerable PAPs are considered to be vulnerable, and measures to assist with physical and economic displacement will be implemented for the PAPs and PAHs as required. Information available from the socio-economic baseline and asset surveys and relevant secondary data sources were consulted to develop these indicators. The following vulnerable groups were identified: gender, livelihood resources, and people with disabilities. These are discussed in more detail below.
5.3.2 Gender of PAP and Head of Household

Recent research concludes that an increase in female-headed households across Africa is evident due to changes in marriage behavior, family formation, health, and education. This increase has been happening alongside declining aggregate poverty incidence. The indication is that this group has contributed almost as much to the reduction in poverty as male-headed households, and has generally seen faster poverty reduction. Female-headed households therefore show a capacity (resilience) and efficiency to overcome impacts/shocks and are not always more vulnerable than families with male or male-female household heads.

Vulnerability is more likely for female-household heads who do not have at least one adult male as a household member. This group of female-headed households is therefore regarded as more vulnerable to the potential residual impacts of economic and/or physical resettlement compared to female-headed households who do have support from an adult male household member.

Female heads of households may experience a greater financial, work- and time-burden due to unpaid household responsibilities related to preparing food, fetching water and firewood. Female-headed households, including those with male adults in the household, and females in general could become vulnerable after economic and/or physical resettlement should their financial, work and time-burden increase as a result. It is not possible to identify these factors at this stage, and monitoring of pertinent indicators after resettlement will highlight risk to vulnerability.

Existing legislation contain generally strong safeguards for women’s land rights, the assumption is that it will be possible to ensure land rights for female-headed households. Where this is not possible, these households will be monitored for vulnerability after economic and/or physical resettlement. Vulnerable female-headed households relying on subsistence agriculture and crop sales, as well as those with excessive debt, are identified through the livelihoods indicators in section 5.3.3.

Based on the above discussion, the vulnerability indicator for gender prior to RAP implementation is:

**Criterion 1: Female-headed household without an adult male household member**

5.3.3 Livelihoods Strategies

According to the International Monetary Fund, whilst growth has helped Malawi’s poorest, approximately 71% of Malawians continue to live with less than $1.90 per day. This same trend is evident in the PAHs, although reported income figures should be interpreted with caution, as these are often subject to exaggeration or numerical error.

Household support derived from a single source is more vulnerable to shocks. Multiple sources, secondary sources in addition to primary sources, or the potential to diversify, can provide buffers against impacts on main/key livelihoods. PAHs/PAPs that solely depend on the livelihood(s) that will be impacted by the Project, and do not have any alternatives to fall back on, are therefore more vulnerable. This includes PAHs/PAPs that depend on their subsistence farming activities for crop sales, which could be impacted severely through changes in weather patterns, especially droughts.
The situation is compounded should these PAHs/PAPs have experienced food shortages. However, the survey results reported above indicate that nearly 50% of households reported food shortages at some point during the last year – usually for several months on end. Food shortage is therefore not useful as a criterion for identifying a specific sub-set of households that is more vulnerable than the rest.

PAHs/PAPs may emerge as vulnerable should it become evident that alternative land identified for agricultural activities/livestock does not have the carrying capacity of the land that was lost, making them worse off than before. The same applies to lack of access to alternative areas to source firewood, building materials (thatch) and medicinal plants. It is not possible to identify these PAPs/PAHs at this stage and they will be distinguished through the monitoring process after compensation had taken place.

PAPs/PAHs using financial compensation for non-productive items (such as buying food and clothes, payment of debt), can lead to an underinvestment in livelihood restoration activities and render them vulnerable after economic displacement. It is not possible to identify these PAPs/PAHs at this stage or to develop mitigation strategies. This will be done during the course of the monitoring process after compensation has taken place.

Based on the above discussion, the vulnerability indicator related to livelihoods assets is:

**Criterion 2:** PAHs experiencing a loss of 80% or more of their agricultural and arable land, where this loss results in a loss of their only livelihood resource(s)

### 5.3.4 People with Mental and Physical Disabilities and Lack of Mobility

Chronic, frequent illness or disabilities among household members that require care threatens livelihood security and reduces income, as well as increases health expenditure. Households with persons with disabilities are likely to be more vulnerable.

Approximately 1 in 10 households reported that they have one or more disabled members. Impaired lack of physical mobility accounts for almost a third of reported instances of disability. The vulnerability indicator related to people with disabilities is therefore:

**Criterion 3:** PAHs with one or more member between the age of 18 and 65 years who suffers from a disability

### 5.3.5 Identification of Vulnerable Households

Each household included in the socio-economic survey was given a score between one and three depending on the number of the aforementioned criteria that it meets. (Households not meeting any of these criteria were given a score of zero, indicating that it is not considered vulnerable.) The resulting distribution of vulnerability scores is shown in Error! Reference source not found. As can be seen from this table, xx% of PAHs meet one or more of the vulnerability criteria. Criterion 1 (female-headed households with no adult male members) and Criterion 2 (PAHs with one or more members between 18 and 65 who suffer from a disability each accounts for about 40% of identified vulnerable PAHs,
while Criterion 3 (households for whom farming is their only livelihood, and who will lose more than 80% of their land) accounts for the remaining 20%.

It is acknowledged that 22% of PAHs constitutes a very large subset, and an attempt to provide targeted assistance and support to such a large number of households may dilute the effectiveness of such measures. It is therefore proposed that the list of PAHs meeting these criteria be regarded as a “short list” identifying households who may potentially be vulnerable, and that the actual vulnerability status of these PAHs be confirmed during the early stages of RAP implementation.

Measures to be employed to verify the vulnerability status of PAHs may include consultation with the relevant village leaders to confirm whether the identified households are in fact significantly more vulnerable than other PAHs in the same village. Village authorities may also identify PAHs who should be regarded as vulnerable but who do not appear on the list – provided adequate motivation and supporting evidence are provided; this condition is aimed at reducing the risk of fraudulent attempts to secure additional benefits for households village leaders’ family or friends.

The next steps in identifying vulnerable households would involve

- Agreeing with the RWG on vulnerability criteria to be used;
- Compiling a list of vulnerable resettlement-affected households;
- Establishing a consultation forum (which could be a sub-committee of the RWG) to determine the specific needs of vulnerable households;
- Identification of required assistance, which could include:
  - Assistance with financial management training if additional cash compensation is applicable;
  - Assistance in the compensation post-payment period to secure the compensation money and reduce risks of misuse/robbery;
  - Assistance with securing one of the above livelihood restoration packages. This could include assistance with application procedures and empowerment through focussed training workshops on topics such as functional literacy;
  - Assistance, if support networks that the vulnerable person/household was relying on, have been affected (e.g. food support and health monitoring); and
  - Health care provision in critical periods, particularly during the transition periods;
- Defining focused measures to monitor vulnerable households for a set period.

5.4 Development Priorities and Needs

This section provides a description of development priorities which were identified by surveyed households and communities and local authorities which were engaged as part of the ESIA consultation.
5.4.1 Problems and Needs Experience within Project Affected Communities

During the socio-economic survey, respondents were presented with various aspects and asked to rate these in terms of degree to which they experience it as an individual or communal problem or need. The results are summarised in Figure 5-28 which shows employment, hunger, poor road conditions/ transport, lack of access to electricity, crime and/or violence as well as excessive harvesting to be the aspects which mostly affect people’s quality of life. The most pressing needs and expectations reported by households are listed below:

- Project related employment, especially for youth and females;
- Assistance in enterprise development;
- Facilitating access to health care: potentially through constructing and equipping a health care facility;
- Improve access to potable water: potentially through drilling boreholes, provision of solar or hand pumps, and/or installing a water supply system in the village; and
- Improve and/or upgrade village access roads to facilitate more convenient access between the main road network and the respective village, and vice versa;
Figure 5-28: Problems Affecting Households and Communities
## 5.5 Considerations and Synergies Between RAP and SIA

Table 5-29 summarises socio-economic aspects of the proposed Project. An in-depth assessment of all socio-economic impacts is presented in the SIA. The table highlights key considerations and potential synergies between the management of stakeholder engagement, socio-economic and resettlement activities.

### Table 5-29: Synergy between RAP and Socio-economic aspects

<table>
<thead>
<tr>
<th>Issue</th>
<th>Aspects</th>
<th>Type</th>
<th>Synergy/consideration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes to the economy</td>
<td>Local Employment</td>
<td>Positive</td>
<td>Plans to maximise local employment should be integrated into livelihood restoration measures presented as part of the RAP. If skills development is offered as a means to livelihood restoration these should provide opportunity to individuals to take advantage of Project related employment.</td>
</tr>
<tr>
<td></td>
<td>Regional and local economic development and growth</td>
<td>Positive</td>
<td>Depending on the nature of the final livelihood restoration programmes, these could be incorporated into large community development or corporate social investment programmes offered by Sovereign. These synergies would enhance the contribution to the local economy and long-term sustainability. The Project’s local procurement needs, especially catering and other services should be considered as an avenue for establishing any local enterprises.</td>
</tr>
<tr>
<td></td>
<td>Change from subsistence to cash-based livelihoods</td>
<td>Positive</td>
<td>Depending on the nature of the Livelihood Restoration programmes and compensation, these aspects could add to the change in livelihoods, in which case measures should promote livelihoods which are sustainable in a cash-based economy beyond the life-of-mine.</td>
</tr>
<tr>
<td></td>
<td>Inflationary effects on consumable goods</td>
<td>Negative</td>
<td>The RAP should consider inflationary cost of living associated with the mine and ensure that livelihood restoration is robust to absorb such effects to ensure that PAPs are not worse off after displacement</td>
</tr>
<tr>
<td></td>
<td>Economic dependency on mining</td>
<td>Negative</td>
<td>The RAP and associated livelihood restoration programmes should preferably include programmes which can functioning independently and sustainably beyond the life-of-mine.</td>
</tr>
<tr>
<td>Proximity to Mine infrastructure</td>
<td>Community development</td>
<td>Positive</td>
<td>IFC PS 5 prescribes that the RAP should be considered as an opportunity to develop the affected community</td>
</tr>
<tr>
<td>Issue</td>
<td>Aspects</td>
<td>Type</td>
<td>Synergy/consideration</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------------------------------------------------------------</td>
<td>--------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>and activities</td>
<td></td>
<td></td>
<td>Community development initiatives could be focussed on improving or establishing services affected by displacement</td>
</tr>
<tr>
<td></td>
<td>Improved access</td>
<td>Positive</td>
<td>Project design should consider sustaining and/or improving access to services. For instance re-alignment or upgrade of roads as part of the Project could naturally offset displacement impacts related to restricted access to services.</td>
</tr>
<tr>
<td></td>
<td>Reduction in available land for agriculture, grazing and harvesting natural resources</td>
<td>Negative</td>
<td>Where possible Sovereign should consider leasing unused land back to communities, potentially through lease or land use agreements to continue certain land uses such as agriculture or grazing if it is deemed safe.</td>
</tr>
<tr>
<td>Mine induced population influx</td>
<td>Increased social pathologies</td>
<td>Negative</td>
<td>The sustainability and efficacy of facilities and services provided as part of the RAP could be jeopardized by significant population influx.</td>
</tr>
<tr>
<td></td>
<td>Increased pressure on infrastructure and services</td>
<td>Negative</td>
<td>The SIA or community development initiatives should preferably include programmes that will address existing and anticipated pressure on education, health, and water provision services.</td>
</tr>
</tbody>
</table>
6. Displacement Impacts

This Chapter describes the displacement impacts resulting from acquisition and clearance of land within the Phase 1 and 2 areas of the EZ. Displacement impacts will encompass limited physical displacement (the loss of a home and the necessity of moving elsewhere) and substantial economic displacement (loss of livelihoods), which could have a variety of negative consequences for those being displaced. The Chapter commences with a description of the measures used to avoid and minimise project-induced displacement impacts, this is followed by a detailed description of the displacement impacts that could not be avoided or minimised and which will require mitigation from Sovereign.

Information on the type and number of affected assets presented in this Chapter is based on the data collected during the socio-economic and asset surveys and only reflects the assets that coincide, completely or partly, with the EZ.

6.1 Measures to Avoid and Minimise Displacement Impacts

Sovereign’s commitment to avoid displacement commenced with a screening assessment in 2017, which aimed to identify measures through which the Project can minimise resettlement through refining the layout of mine infrastructure. The study considered infrastructure configuration, layout and siting options, together with dominant land uses and made recommendations from a resettlement perspective as to the most viable options. The screening study established and recommended the following:

- The buffer area around the southern half of the pits coincides almost entirely with Kubale and Ndumila villages. Mining these pits will require the resettlement of the majority of these villages, including two of four likely graveyard areas, a large number of agricultural fields and other natural resources. Consequently it was recommended that the Project should re-evaluate mining of these pits, which would likely limit physical displacement to less than ten homesteads;

- Layout options were explored to determine the smallest feasible Project footprint, while keeping other potential social factors, such as proximity to villages and movement patterns, in mind. It was established that none of the proposed locations are located near densely populated areas or sensitive receptors; however, most infrastructure would impact agricultural fields.

- The main access road to / from Malingunde village and Lilongwe (S124) traverses the exclusion zone. Regardless of the layout options and by virtue of the location of the pits, traffic along this road would have to be diverted. The road network east of this main road allow for access to Kubale and Ndumila villages, form two main points, Ntanga and Kumalindi (the latter providing the shorter route –approximately 2.2 km from the main access road). If infrastructure is placed on the east of the main road, access to Kubale and Ndumila villages will have to be along the perimeter of the Project Area (approximately 5 km from the main access road from Ntanga
village), which would constitute a significant negative impact. Accordingly, from this perspective, it would be preferable if infrastructure is not located on the east of the road.

Sovereign evaluated the feasibility of the screening recommendations and incorporated them, as far as practically possible, into the configuration of the current exclusion zone. For instance, although it was not deemed feasible to place all infrastructures on the western side of the main road, infrastructure was placed so as to avoid sensitive receptors and physical displacement. Secondly the Phase 2 mining area was re-designed to minimise displacement of households residing in Kubale and Ndumila villages. The Phase 2 mining area was reduced from 40.98 to 32.8 ha, decreasing the number of homesteads facing physical displacement in this area from 236 to 99.

Apart from the screening study Sovereign is implementing the following measures to minimise displacement:

- Sovereign is considering various alternative Project designs to avoid and/or minimise the Project’s impact, including physical and economic resettlement, while balancing environmental, social and financial costs and benefits as part of the ESIA which includes an assessment of Project alternatives;

- Sovereign’s EZ was constricted to avoid physical displacement of large settlements. The exclusion zone was reduced significantly by constricting its boundaries along buffer areas for the respective infrastructure components, as opposed to crudely imposing the initial project footprint which was significantly larger. It should be noted that these buffers are subject to further refinement depending on the findings of the ESIA, which will indicate whether proposed buffer areas are sufficient to mitigate noise, air quality as well as health and safety impacts which might trigger displacement;

- As mentioned earlier Sovereign will be continuously reviewing the feasibility of mining Phase 2 deposits which coincide with sections of the Kubale and Ndumila Villages or whether displacement in these areas could be further or wholly avoided. The outcome of this process would indicate whether (a) all affected people and assets within the exclusion zone will be resettled as part of the current RAP, this will likely minimise resettlement in the longer term, as significantly delaying resettlement would likely result in population influx increasing the number of households to be resettled, (b) households residing on land coinciding with potential pits will only be resettled when and if Sovereign decides to mine these deposits, which would ultimately increase the magnitude of displacement, or (c) displacement in these area can be totally or partially avoided.

6.2 Displacement Impacts

6.2.1 Adverse Impact resulting from Loss of Structural Assets

The table below presents information on impacted structural properties belonging to PAPs within the Phase 1 and 2 areas of the EZ, this is followed by Figure 6-1, which illustrates the location of the households owning the structures. It is evident that clearance of the EZ will displace a total of 367
structures, which belongs to 123 households, just less than a third of these structures (108) are occupied homestead compounds or primary residential structures with supporting structures (toilets, bathrooms, kraal, granary, store rooms) and 5 structures are used for economic purposes.

Based on the number of primary homesteads, multifamily family residences, and multi-purpose residential structures (e.g. business and residential, kitchen and residential) it is estimated that most of the 108 households will be physically displaced as they will likely lose their primary residence. It is important to note that the majority of physical displacement will be as result of acquiring land required for Phase 2 mining activities, which will displace approximately 99 households, whereas Phase 1 activities will displace only 9 households (Table 6-2). Households facing displacement during Phase 1 are mainly from Kumalindi Villages, whereas Phase 2 displacement could potentially affect households from Kubale, Chitimbe, Jaulani, Kokotani, Ndumila II, Pingeni and Chikosi Villages.

Table 6-1: Structure type and size

<table>
<thead>
<tr>
<th>Structure use</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Total</th>
<th>Average no. of rooms</th>
<th>Est. Average size (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family residential / primary homestead</td>
<td>9</td>
<td>84</td>
<td>93</td>
<td>1.13</td>
<td>10.97</td>
</tr>
<tr>
<td>Kitchen</td>
<td>10</td>
<td>54</td>
<td>64</td>
<td>1.06</td>
<td>5.10</td>
</tr>
<tr>
<td>Shower</td>
<td>9</td>
<td>49</td>
<td>58</td>
<td>1.02</td>
<td>4.88</td>
</tr>
<tr>
<td>Pit latrine</td>
<td>6</td>
<td>52</td>
<td>58</td>
<td>1.00</td>
<td>2.44</td>
</tr>
<tr>
<td>Sleeping only structure</td>
<td>5</td>
<td>34</td>
<td>39</td>
<td>1.15</td>
<td>11.82</td>
</tr>
<tr>
<td>Storage structure</td>
<td>4</td>
<td>14</td>
<td>18</td>
<td>0.78</td>
<td>8.53</td>
</tr>
<tr>
<td>Livestock enclosure</td>
<td>2</td>
<td>16</td>
<td>18</td>
<td>1.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Unoccupied residential structure</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>1.25</td>
<td>12.00</td>
</tr>
<tr>
<td>Multifamily residential/primary homestead</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>1.25</td>
<td>12.00</td>
</tr>
<tr>
<td>Family residential/Primary homestead &amp; Business</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>1.00</td>
<td>9.60</td>
</tr>
<tr>
<td>Pigeon Loft</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>1.00</td>
<td>9.60</td>
</tr>
<tr>
<td>Brick manufacturing structure</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>0.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Dilapidated residential structure</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1.00</td>
<td>10.80</td>
</tr>
<tr>
<td>Pit latrine and Shower</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2.00</td>
<td>4.80</td>
</tr>
<tr>
<td>Kitchen, Storage and Livestock structure</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3.00</td>
<td>28.80</td>
</tr>
<tr>
<td>Bar</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1.00</td>
<td>12.00</td>
</tr>
<tr>
<td>Fence</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>0.00</td>
<td>7.20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45</td>
<td>322</td>
<td>367</td>
<td>1.05</td>
<td>7.66</td>
</tr>
</tbody>
</table>

Table 6-2: Primary homesteads facing physical displacement

<table>
<thead>
<tr>
<th>Type of Homestead</th>
<th>Number of homesteads</th>
<th>Average of Rooms</th>
<th>Average of Size (sq m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family residential structure/primary homestead</td>
<td>9</td>
<td>1.6</td>
<td>14.9</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>9</td>
<td>1.6</td>
<td><strong>14.9</strong></td>
</tr>
<tr>
<td><strong>Phase 2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family residential structure/primary homestead</td>
<td>84</td>
<td>1.1</td>
<td>10.5</td>
</tr>
<tr>
<td>Multifamily residential/primary homestead</td>
<td>4</td>
<td>1.3</td>
<td>12.0</td>
</tr>
<tr>
<td>Family residential/Primary homestead and Business structure</td>
<td>2</td>
<td>1.0</td>
<td>9.6</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>90</strong></td>
<td><strong>1.1</strong></td>
<td><strong>10.6</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>99</td>
<td>1.1</td>
<td><strong>11.0</strong></td>
</tr>
</tbody>
</table>
Figure 6-1: Location of households who will lose structural assets
6.2.1.1 Physical Displacement Resulting from Loss of Residential Structures

As mentioned in the preceding section 108 homesteads will likely be physically displaced, of these only 9 are situated within the Phase 1 area. It is important to note that the majority of households facing displacement reported that they reside permanently within their homesteads (Section 5.2.1.4). Homesteads commonly found in the exclusion zone are illustrated in Figure 6-2. Traditional housing is the most common housing type within the affected area, followed by some semi-permanent and permanent housing. Traditional housing units are characterised by thatched roofs, mud walls and earth floors and may be vulnerable to fire and flood. Permanent housing units have roofs, primarily constructed with iron sheets, tiles, concrete or asbestos; walls of burnt bricks, concrete or stones; and concrete and paved floors. Semi-permanent housing units have a combination of traditional and semi-permanent housing characteristics.

The manifestation of the socio-economic impact related to physical displacement is, to a large extent, dependent on the distance over which people are relocated. If people’s new dwellings are a considerable distance from their previous homes (e.g. more than 10 km, depending on road conditions and the like), this could cause social disarticulation (by severing social ties and disrupting existing support networks), significantly increase travelling times to schools, clinics and other social facilities, and impede access to natural resources and landholdings previously used for cultivation. It is anticipated that it should, in most cases, be possible to implement in situ relocation – i.e. situating replacement houses and farms at suitable locations in the same village. Thus, it is likely that most of the impacts typically associated with long-distance relocation could be avoided. However, it should be noted that nearby relocation might not be possible for some households considering the complex socio-political environment, households loyalty to local and traditional leaders vary drastically and could likely limit the degree to which they could be incorporated into nearby and neighbouring villages.

Although relocation over short distances could impact less on households, it will result in the following negative socio-economic impacts among most households:

- If displaced dwellings are compensated in cash rather than in kind, persons receiving the compensation monies may spend these on addressing other needs instead of purchasing or constructing replacement housing. In such situations, economically inactive members of the household are especially vulnerable – particularly if the recipient of compensation (typically the male household head) absconds with the payment and leaves the other household members to fend for themselves.

- If replacement housing is provided by the Project, but the type of housing is not culturally appropriate in terms of the local cultural milieu, this could impact negatively on social cohesion, livelihood and personal well-being.

- If replacement houses are designed to cater only for dependent family members, while people’s original dwellings included additional structures or rooms used to accommodate tenants, relocated households could lose the income previously derived from rent.
6.2.1.2 Economic Displacement Resulting From Loss of Business Structures

Small-scale business activities are common within most villages in Malawi. A total of five business structures have been recorded, all of these are situated within the Phase 2 area, two of these form part of household’s permanent homesteads (Table 6-3). Business activities typically take the form of kiosks, facilities to brew and sell beer, brick making and sales of agricultural produce (see 5.2.3.6). Displacement of structures or facilities used for such business activities would constitute a form of economic displacement, since it would entail a loss of income from those activities until alternative facilities can be established elsewhere.

Measures to mitigate impacts associated with the displacement of businesses are discussed in more detail in Chapter 7. These would need to take into account the fact that affected businesses are mostly informal, and would thus not be able to provide audited accounts from which lost earnings could be estimated. In such instances, resettlement entitlements should comprise replacement of structures, assistance with transportation to a new location, potential measures to re-establish business, and appropriate support during the period required to re-establish the business.
Table 6-3: Structures used for business purposes

<table>
<thead>
<tr>
<th>Structure use</th>
<th>Phase 1</th>
<th>Phase 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family residential/Primary homestead and Business structure</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Brick manufacturing structure</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Restaurant/Bar</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>

6.2.1.3 Displacement of Community Facilities and Infrastructure

Most villages within the vicinity of the Project area have a primary school, several churches, one or more water wells, a community hall, a market and communal meeting spaces. Other community infrastructure, such as secondary schools, hospitals, banking facilities etc., tends to be limited to larger villages or towns not directly impact by project-related land acquisition.

During the design of the footprint care was taken to avoid community facilities where the locations of these were known. Current indications therefore show no displacement of community facilities. In the event that community facilities would be impacted as result of loss of access, this could have significant impact on quality of life for people who do not have access to alternative water sources or schooling.

The Project could also impact access through disrupting access through its planned upgrade or diversion of the S124 roadway which connects many of the villages with services located elsewhere especially Lilongwe. As indicated in Section 5.2.5 a large proportion of people travel up to one hour or more with a vehicle to access hospital, secondary schools and other essential services. This would impact on Project-affected communities through temporary loss of access to those facilities or increased travel distances to reach similar facilities in different locations.

It is possible that the Project will impact on local access routes as well. Cases of temporary disruption that would need special attention would be where access routes to community facilities (such as schools or clinics) or routes used by farmers to access their land are disrupted – particularly during construction. Such disruption could force people to take longer, alternative routes, thus increasing travelling time and cost. Where access to small businesses is affected, this may also cause loss of income to business owners.

6.2.2 Adverse Impact on Land

The land to be acquired for the project to establish the exclusion zone comprises 2.62 km²; however, this area could increase depending on the extent to which land acquisition will impact properties where only a portion of the land is impacts, in some cases the Project would need to acquire the entire property (e.g. in cases where acquisition of a portion of land will make the remaining land portion unviable for continuation of the existing land use), as opposed to only acquiring the section coinciding with the EZ, which will result in a larger land impact.
The land acquired for the Project will be utilized for mining pits, run of mine stockpiling facilities, processing plant, construction of TSF, pollution control dams, access roads, temporary construction areas and wayleaves for access roads. The land required for the project comprise mostly customary land with pockets of public land for public infrastructure.

6.2.2.1 Loss of Farmland, Trees and Crops

A total of 583 agricultural fields comprising 304ha and belonging to 523 households will be entirely or partially displaced by the Project. This implies that the maximum area affected by the Project could exceed the size of the EZ by 40 to 50 ha, assuming a worst case scenario where all partially affected properties will need to be acquired in their entirety, as opposed to only the affected section.

The characteristics of affected field sizes are summarised in Table 6-4. As can be seen from this table the average field size of all fields is 0.52 ha, with the fields within the Phase 1 area, being slightly larger on average (0.54ha) compared to those located in the Phase 2 area (0.43ha). The majority of affected fields are located within the Phase 1 area (407) and will be entirely displaced by the project, current indications are that only 84 field will be affected when land acquired and cleared for Phase 2 activities. The locations of affected fields are illustrated in Figure 6-3 and Figure 6-4, which also distinguishes between fields which will be entirely (pink) or partially (green) displaced. Households depend on these fields to sustain and/or supplement their livelihoods through cultivating subsistence and cash crops and/or trees, or earning income from leasing field to other land users, who also depend on fields for subsistence and cash crops.

Table 6-4: Characteristics of affected fields

<table>
<thead>
<tr>
<th>Field type</th>
<th>Fields</th>
<th>Households</th>
<th>Total affected area (ha)</th>
<th>Average field size (ha)</th>
<th>Unaffected plot area (ha)</th>
<th>Average unaffected plot area (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Phase 1</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affected fields entirely within exclusion zone</td>
<td>407</td>
<td>357</td>
<td>207.11</td>
<td>0.51</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Affected fields partially within exclusion zone</td>
<td>92</td>
<td>91</td>
<td>61.33</td>
<td>0.67</td>
<td>42.38</td>
<td>0.46</td>
</tr>
<tr>
<td>All affected fields</td>
<td>499</td>
<td>448</td>
<td>268.44</td>
<td>0.54</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Phase 2</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affected fields entirely within exclusion zone</td>
<td>60</td>
<td>52</td>
<td>20.68</td>
<td>0.34</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Affected fields partially within exclusion zone</td>
<td>24</td>
<td>23</td>
<td>15.36</td>
<td>0.64</td>
<td>10.34</td>
<td>0.43</td>
</tr>
<tr>
<td>All affected fields</td>
<td>84</td>
<td>75</td>
<td>36.04</td>
<td>0.43</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>All fields</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affected fields entirely within exclusion zone</td>
<td>467</td>
<td>409</td>
<td>227.79</td>
<td>0.49</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Affected fields partially within exclusion zone</td>
<td>116</td>
<td>114</td>
<td>76.69</td>
<td>0.66</td>
<td>52.72</td>
<td>0.45</td>
</tr>
<tr>
<td>All affected fields</td>
<td>583</td>
<td>523</td>
<td>304.48</td>
<td>0.52</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>
Figure 6-3: Fields affected in the Phase 1 Area of the EZ
Figure 6-4: Fields affected by the Phase 2 area of the EZ.
Land acquisition will also result in loss of indigenous and exotic tree species. Trees found within the area that reportedly contribute to household livelihoods include mango, banana, papaya, cindrella, palm, sisal, acacia, gmelina, guava, jacaranda, coco yam, masuku, mapoza, lemon, orange, mables, leukina and peach. It is estimated that the number of trees that will be felled during ground clearing is 236,564, these trees will likely be felled during ground clearing. Apart from perennial tree crops, seasonal standing crops cultivated on the affected fields will be lost, when areas earmarked for infrastructure and mining activities are cleared.

The significance of this impact depends on the degree to which affected landowners and users are dependent on the land and associated activities for their livelihood. In most of the Project area, this is considerable: for 42% of households and 84% of all individuals, cultivation of cash and food crops is their main source of income, while crops grown for household consumption bolsters food security. The loss of land used for agriculture would lead to a loss of income from the sale of agricultural produce, or necessitate purchasing of food that a household would otherwise have produced for its own use. The impact associated with the loss of arable land often extends beyond the landowner, as land is often cultivated by others through sharecropping or rental arrangements. The severity of this impact on any particular PAP will depend on several factors which should be taken into account when developing mitigation strategies, as follows:

- The size of remaining land held by the PAP (e.g. in instances where a PAP also owns other land parcels outside the EZ), or where only part of a parcel is acquired by the Project and the remaining part (orphaned land) is still economically viable, especially on properties dissected by the EZ boundary;
- Access to alternative means of livelihood (e.g. non-land-based livelihoods);
- Access to social support networks such as family or friends; and
- Socio-economic vulnerability – which, in turn, is influenced by factors such as income levels, disability, gender, the age distribution of household members, etc.

### 6.2.2.2 Loss of Other Land

Land that is not occupied or currently cultivated with crops serves as communal grazing land for livestock for project households. The impact of Project-related land acquisition on grazing and livestock husbandry is not expected to be significant assuming that only infrastructure components would be fenced-off, as opposed to the entire EZ, and that grazing throughout the unfenced area will not be restricted, thus allowing movement of people and livestock.

In addition to customary land, the other two main categories of land recognised in Malawi are public (road and other public infrastructure reserves, etc.) and private land. Current indications are that the Project footprint will coincide with limited sections of public land subject to wayleaves or infrastructure reserves.
6.2.3 Adverse Impact on Graves and Cultural Heritage

Graves and sacred sites play an important role in the social cohesion and cultural continuity of Chewa communities. It is anticipated that households will consider grave relocation as taboo or at least severely frowned upon. With others being more tolerant towards the prospect of grave relocation; in these cases, cultural requirements for grave relocation vary, but typically involve rituals (including animal sacrifices) and compensation.

Communities are often hesitant to share information on the location and nature of sacred sites, thus complicating efforts to assess impacts on such sites and devising strategies for mitigating these impacts. The latter could explain why no sacred sites were reported during the socio-economic and asset survey, which could be directly affected by the EZ. Only one graves has been recorded within the EZ; however, experience has shown that graves and sacred sites are normally identified when official valuation commences, hence it is necessary to make provision for mitigation of such impacts in the event that they occur.

Cultural sensitivity, respect and sustained engagement will be required during the formulation of appropriate measures to relocate sacred sites or compensate communities for their loss. Sacred sites play a pivotal role in sustaining the cultural identity of many traditional communities. Loss of or damage to these sites could be perceived as a threat to personal well-being and household livelihood, especially because rituals practiced at these sites are often associated with ensuring agricultural success, enhancing fertility and healing.

6.2.4 Adverse Impact on Access to Natural Resources

As was mentioned in Section 5.2.5.4, villages in the Project area are dependent, albeit to a limited degree, on the natural resources found in their environment, primarily for sustenance, with the most commonly harvested resources being firewood, forest food products, medicinal plants, and building materials such as thatch. Natural resources are almost exclusively harvested for domestic use rather than selling. Land clearing will result in the loss of these resources, which would impact on livelihoods in that it may force households to obtain such commodities from other areas or sources. In this sense, it constitutes an economic impact as households could be forced to source or purchase these natural products elsewhere.

The impact of Project-related land acquisition on the utilisation of such resources will be as result of loss of access (e.g. areas which are restricted due to fencing) and permanent loss due to clearing of vegetation. Such impacts are expected to be most pronounced during the Project’s construction phase: depending on the length of construction and areas which are fenced off, households might be forced to take longer detours to reach available livelihood resources. Considering the relatively limited dependence on natural resources within the exclusion zone these impacts are expected to be relatively isolated. Moreover, it is assumed that the entire project footprint will not be fenced during the Project’s operational phase, consequently it is not expected that access to resources will be permanently restricted.
6.2.5 Adverse Impacts on Host Communities

It is anticipated that the majority of physically displaced households could be relocated to other locations within villages in which they currently reside or other nearby villages where their family resides. Where replacement farmland is required, a similar approach could be followed. As also mentioned previously, the vast majority of the EZ area is occupied by cultivation of crops – this land-use pattern extend for several kilometres throughout the surrounding area. Thus, it will be challenging to find vacant land for replacement houses and/or farms within a reasonable distance of the project that is not already occupied by cultivation.

6.2.5.1 Secondary Displacement

In light of the aforementioned scenario it is expected that some villages in the Project area (who act as host communities to displaced persons) will experience some form of secondary displacement, in that persons not directly affected by Project-induced displacement may be required to give up land to make way for replacement houses, but mostly farms. This impact will be particularly significant in villages where there is already a shortage of land, and where many land parcels have been repeatedly subdivided (e.g. during inheritance) so that many of them are already too small to be economically viable. Measures to avoid or ameliorate secondary displacement impacts are discussed more fully in Chapter 7; in brief, these will comprise:

- Providing support through livelihood restoration support measures for the development of more intensive agricultural practices – i.e. practices that would deliver similar yields but would require less land – for relocated persons as well as for members of host communities who would experience secondary displacement;
- Providing displaced persons with the option of relocating to a more built-up areas or townships, and/or pursuing non-land based livelihoods (which would likewise be facilitated through the livelihood restoration programme through skills training, enterprise development, etc.); and
- Where possible providing physically displaced persons with replacement dwellings on an unaffected parcels or part of land they currently own, this avoiding the need to acquire additional land for replacement housing.

6.2.5.2 Influx and Speculation

This impact differs from others discussed in this chapter in that it does not pertain to the consequences of displacement per se, but rather to people’s behavioural responses to (actual or expected) displacement. Such impacts can take various forms, and may occur during various Project phases. For instance:

- During resettlement planning, persons may establish fixed assets (structures and/or crops) in areas that people believe to coincide with the Project footprint, with the aim of obtaining compensation for such assets. Strategies for discouraging such actions would include:
  - Minimising distribution of maps showing the Project footprint;
Engagement with District officers and Traditional Leadership to monitor and assist with taking quick response to persons speculating.

• Utilising LIDAR/Aerial imagery as a basis of monitoring speculative building; and

• Widely publicising the cut-off date and its implication (i.e. that no persons moving into or establishing assets in the Project footprint after the cut-off date would be eligible for compensation); and

• It is anticipated that after construction of the Project the community members neighbouring the area may encroach accessible areas within the EZ for farming and other agricultural activities. Sovereign should clearly demarcate the project area, if it won’t be fenced, and inform the community on which activities will be allowed on the restricted area.
7. Eligibility and Entitlement Framework

This Chapter outlines the proposed entitlements for each type of displacement impact. The Entitlement Framework (EF) provides the bases of calculations of costs of impacted properties and sources of earnings lost to people affected by the Project. It also puts forward the premises of formalising eligibilities of affected persons in receiving compensation for the loss of their properties and earnings and also other resettlement and rehabilitation assistances.

The Framework recognises the legal context and resettlement principles framed in Chapter 3 and 4, and builds on the socio-economic baseline outlined in Chapter 5 to address Project-induced displacement impacts, in manner which will ensure that PAPs can restore/maintain (or where possible improve on) the standard of living they were accustomed to prior to being displaced. More specifically the Chapter:

- Identifies those eligible to receive compensation and assistance (see Section 7.1);
- Defines how impacts on land and assets will be valued and sets levels of compensation to be offered to PAPs (Section 7.1.3);
- Outlines what kinds of compensation and assistance PAPs will be entitled to for each type of loss (see Sections 7.3 and 7.4); and
- Summarises the above in the entitlements framework (see Section 7.5).

The entitlements outlined in this chapter will be the subject of discussion and refinement during consultations that still need to be undertaken during the remainder of the resettlement planning process. The agreed-upon entitlements will be presented in the final RAP that will be publicly disclosed.

7.1 Eligibility Criteria and Categories

7.1.1 Eligibility Criteria

Eligibility, for the purposes of this RAP, is defined as entitlement to compensation and assistance granted to persons, groups of persons, families, or institutions due to subjection to displacement resulting from land acquisition, the revocation of rights, and/or the expropriation of property as a result of the Project.

A primary requirement for eligibility is that affected persons and assets are enumerated during the resettlement asset valuation process that is used to define the cut-off date – in other words, eligibility applies only to land and assets established prior to the instatement of a cut-off date when the notice to acquire land is issued. Should affected persons not be present during the valuation process, such persons will be requested to provide proof of their presence in the Project area during the valuation period, and/or proof of ownership of assets in the Project area during that period, to be eligible for compensation. Such considerations may apply to absent family members engaged in migrant wage labour. IFC PS 5 defines three categories of persons who are eligible for compensation:
Displaced persons who have **formal legal rights to land and/or the assets** they occupy. This includes persons with properties that are formally registered in cadastral land registers;

Those who **do not have formal legal rights to lands but do have a claim** to land which is recognised under national law. This category includes persons with customary ownership/rights of occupancy of land, which will apply in the majority of cases for this Project; and

Those who have **no recognisable legal right or claim to land and/or assets** they occupy or use. This category would typically include persons who have constructed buildings or have cultivated crops on land owned by other, without approval and/or knowledge of the land owner. This also includes informal users on public or private land. Such persons may not be entitled to compensation for land, as they do not own it; however, they would be entitled to compensation for assets that they own – for example, the replacement value of buildings, structures, crops, and economic trees. Eligibility for compensation does not create or confer a right where none previously existed – it does not legitimise the illegal occupation of land. The purpose of compensation is to ensure that people affected by the project do not end up worse off as a result of displacement.

### 7.1.2 Eligibility Categories

The eligibility categories listed below refer to categories of PAPs who will experience various types of displacement-induced loss or increased vulnerability for as a result of physical and/or economic displacement. These categories have been identified on the basis of socio-economic baseline information (presented in Chapter 5), the estimation of land acquisition and resettlement impacts (Chapter 6), resettlement team’s experience in undertaking RAPs in similar context, and research of other RPFs and RAPs recently completed in Malawi. The identified eligibility categories are as follows:

- Persons who own land under legal title, i.e. private tenure;
- Persons who have the customary right of occupancy of land;
- Persons who own affected buildings and structures, such as primary and secondary dwellings, ancillary domestic buildings and structures used for agriculture;
- Communities who own land and assets;
- Institutions who own land and/or buildings and/or public facilities, including religious organisations and government authorities (schools, churches etc.);
- Owners of perennial (annual) agricultural crops;
- Owners of seasonal (planted and harvested each season) crops;
- Owners of economic trees growing in the affected areas, either on their own land or on the land of others;
- Owners of standalone informal business structures, such as kiosks, market stalls, bars, clothing manufacture, furniture manufacture, etc.;
• Owners or custodians of cultural heritage assets such as graves, graveyards, sacred trees, sacred stones etc.;

• Tenants of houses and/or land – i.e. persons who, while not owning the house or land, have right of occupancy;

• Employees of established formal business, i.e. entity with tax statements and auditable records which can be used to determine loss of profit, etc.;

• Informal users of land – for example, persons who collect firewood, herbs and medicines, and other natural resources;

• Individuals using land for grazing livestock; and

• Vulnerable persons – i.e. persons for whom loss of assets or resources, and/or disruption of access to assets or resources, may have a disproportionate impact on livelihoods, due to their vulnerability and/or livelihood dependency on these activities.

It is recognised that PAPs may fall into more than one eligibility category (e.g. for land, house and/or crops). Specific criteria for eligibility are set out Section 7.5. Special situations, such as share-cropping arrangements and third-party investment interests, will also be considered based on any evidence derived from the final survey. It should be noted that information obtained during the final valuation survey or during consultation with PAPs might require the definition of additional eligibility categories. If so, the framework will be updated accordingly.

### 7.1.3 Cut-off Date for Eligibility

It is necessary to determine, and publicly declare, a cut-off date, to define eligibility and thus entitlements. Sovereign will establish the cut-off date in consultation with the Department of Land and Valuation and District Authorities, which will be instated after the project area is gazetted and the notice to acquire land has been issued. The District and Area Executive Committees, Local Leaders and Community structures should be made aware of the importance of such a date, and mandated early in the process to assist with the management of the project area to prevent/minimise the possibility of any attempt at speculative gains.

A supplementary or verification survey of affected assets will be commenced immediately on publication of the notification in line with the cut-off date. Compensation cannot be claimed for structures constructed after the assessment procedure; the onus will be on a person who is not recorded in the verification studies to prove that they qualify for Project entitlements.

It should be noted that due to (a.) the potential further refinement of Phase 2 mining areas to minimise displacement (b.) Sovereign only requiring land access to Phase 2 in the relative distant future (c.) Sovereigns intention to allow continuation of land use within the Phase 2 area, until such time that it requires access a cut-off date will only be instated on land use within the Phase 2 area once land acquisition is initiated.
7.2 Valuation

The valuation of assets for the Project will be based on national laws and requirements set out in IFC PS 5. The remainder of this section describes the approach and basis for valuing project affected assets.

7.2.1 Legislative Provisions and International Requirements

7.2.1.1 National Legislative Provisions

There are a number of legal provisions in Malawi that govern compensation in the event that an affected person’s assets are affected. Section 28 of the Constitution of Malawi provides that every person shall be able to acquire property and that having acquired that property; no person shall be arbitrarily deprived of the property. Section 44 (4) further states that expropriation of property shall be permissible only when done for public utility and only when there has been adequate notification and appropriate compensation, provided that there shall always be a right to appeal to a court of law. The principal Act on Land Matters - the Lands Act (Cap 57:01) - provides that any person who suffers any disturbance of, or loss or damage to any interest which he had shall be paid compensation for such disturbance, loss or damage as is reasonable. Additionally, the Land Acquisition Act (58:04) Sections 9 and 10 provides the procedure for the assessment of fair compensation. It considers three steps as being necessary to arrive at a fair compensation, namely:

1) The consideration which the person entitled to the land paid in acquiring it;

2) The value of the unexhausted improvements to the land made at the expense of the person entitled thereto since the date of his acquisition thereof; and

3) Any other appreciation in the value of the land since the date of such acquisition.

The National Land Policy (4:12, 16) provides that "land values shall be determined by open market procedures for customary lands acquired through compulsory acquisition by the government. It further notes that "the inadequacy of compensation is always the direct result of excluding certain items or qualities from the factors considered when determining value and delays in payment of compensation".

7.2.1.2 Requirements in Terms of IFC PS 5

The main objective of the IFC PS 5 asserts that ‘resettlement shall at least restore and, preferably, improve standards of living and the livelihoods of those households, families, extended families, and individuals who lose land, assets, or access to resources due to the implementation of a project’. In cases where national valuation practices are not able to achieve the aforementioned standard, international requirements should be adopted instead. IFC PS 5 states that replacement cost as the required rate of compensation for lost assets. Replacement cost must be calculated as market value plus transaction costs. It further expects the Project to compensate affected people for loss of physical assets, revenue and income resulting from economic displacement or physical relocation regardless
of whether these losses are temporary or permanent. Consequently the replacement cost in the context of this Project should be defined as follows:

- **Agricultural land:** The market value of land of equal productive 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;

- **Residential Land:** The market value of the land of equal size and use, with similar or improved public facilities and services located in the vicinity of the affected land, plus the cost of any registration and transfer taxes; and

- **Structural assets:** the cost of purchasing or building a new structure, with an area and quality similar or better than those of the affected structure or of repairing a partially affected structure, including labour or contractors’ fees and any registration and transfer taxes.

### 7.2.2 Valuation Methods

The aforementioned values can be obtained through various valuation methods. These methods and their suitability to respective asset categories is summarised in Table 7-1 below. This is followed by the proposed valuation process for each asset category.
Table 7-1: Summary of Valuation Methods

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
<th>Criteria for use</th>
<th>Types of assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparative</td>
<td>Value is derived from price of landed property or asset that has recently been bought/sold and that is similar in its physical properties, attributes and its legal status.</td>
<td>Used in the valuation of landed properties or assets that tends to be similar and readily change hands in the market. On account of the difficulty of getting sufficient and reliable sales data of comparable properties on a consistent basis, the method would be used in the valuation of land only.</td>
<td>All types of land including bare land, agricultural land and residential land.</td>
</tr>
<tr>
<td>Replacement / contractors method</td>
<td>Basis for valuation is the cost of replacing the affected asset.</td>
<td>Applied to assets that are not readily available on the market, and/or in cases where there is either limited or unreliable sales evidence to enable direct comparison.</td>
<td>All buildings, structures and improvements on land</td>
</tr>
<tr>
<td>Income/ investment</td>
<td>The rental income or annual value derived from the land (including any improvements), and discounting it at an appropriate yield is used to arrive at the capital value of an interest in landed property.</td>
<td>Used in the valuation of investment properties. These are income producing commercial properties. In principle, the main classes of properties that are amenable to valuation using this method include office, retail and industrial properties.</td>
<td>This method of valuation will not be applied as there are no office blocks, retail and industrial properties that seem to be affected.</td>
</tr>
<tr>
<td>Profits</td>
<td>The net value of an asset is inferred from its actual or estimated profits (i.e. gross income or turnover minus reasonable overheads and working expenses)</td>
<td>Applied to value profit generating properties.</td>
<td>Established formal businesses, with auditable accounts and registered for Tax.</td>
</tr>
<tr>
<td>Residual</td>
<td>Surplus value is calculated after meeting all costs of developments (including the cost of finance), and allowing for profits</td>
<td>Typically used to value development properties. These include land which is ripe to be developed, or land with dilapidated existing buildings which are to be refurbished or redeveloped.</td>
<td>Not applicable as no development properties are expected to be encountered in the project.</td>
</tr>
</tbody>
</table>

7.2.2.1 Valuation for Loss of Land

Land will be valued through the Comparative Method, i.e. by determining the market value of a land parcel through an analysis of market prices of similar land parcels sold recently in the same or similar contexts. A provisional valuation commissioned by Sovereign investigated recent land transactions within the vicinity of the Project area. The valuation established that a hectare of land is worth approximately MK 2,000,000 (MoHUD, 2019). This value does not include any disturbance or transactional costs associated with acquiring new land; the amount should therefore be adjusted to account for such costs, which could include registration and transfer taxes.

Land valuation will be based on the details reflected in a land inventory compiled from findings recorded during the final valuation survey. The survey should be attended by a professional surveyor.
and witnessed by the property holder and any other individual claiming rights to the land, a representative from Sovereign, delegated local government official, and additional community members. At a minimum, the survey should verify and where necessary record the following for each plot:

- Size of the land, and the area to be affected in proportion to the whole;
- Land holder/s;
- Usage of the land;
- Crops, trees and other natural resources on the land;
- Productive capacity of the land;
- Type of tenure systems in operation; and
- Open access or common property resources should also be included in the inventory, to accommodate communities who have long-standing or customary rights to land.

For agricultural, residential and commercial properties the same process could be applied; however, the value of labour invested in preparing the land should also be valued using government wage for the same period of time. The labour cost for preparing replacement land will be calculated on what it would cost the farmer to create replacement farmland.

7.2.2.2 Government Land

Malawi’s National Land Policy recognises Government land as a separate category of land and the Special Law Commission recommends that Government land be defined as “land acquired and privately owned by the Government and dedicated to a specified national use or made available for private uses at the discretion of Government.”. In cases where land is being used by the public (for instance for grazing, settling or otherwise), Sovereign will in consultation with the MoLHUD, Physical Planning and Surveys identify suitable replacement land for use by the public and be expected to pay compensation to the community.

7.2.2.3 Orphaned Land

Current indications are that the Project would fragment a relatively large number of land holdings along the edges of the EZ, this will result in orphaned land. Valuation of orphaned land should occur where the amount of land that is being acquired from an individual is more than the project requires because that which is left is no longer sufficient for the use recorded during the survey due to its size, shape, access and/or economic value. The basis of compensation will be on a case to case basis, largely determining the amount of loss or expenses that the landowner will have to reasonably incur to get him/her back to the position before the acquisition. The valuation of orphaned land will be based on the use to which it is put at the Project cut-off date and subject to the asset and land valuation methods outlined above. For private land, the cost of adjusting land parcel boundaries and
preparation of the deed of variation will need to be reflected in the valuation of orphaned land that was part of titled land.

7.2.2.4 Valuation of Seasonal Crops

The intention is to allow seasonal crops (crops that are planted each season) to be harvested prior to the land access date. In this case, these crops will not be valued. If the construction schedule does not allow for seasonal crops to be harvested prior to land access, these crops should be valued on the basis of their earning potential. The procedure will involve valuing affected crops based on predetermined produce unit prices. The valuation should take into account the type of crop the yield level (high, medium or low yield variety), the expected yield for and the produce unit price. The total value is arrived at by multiplying the yield with the pre-determined produce unit price (Kwacha/kg.) and the area of land (ha). The market prices and yield per crop would need to be obtained from the Ministry of Agriculture.

7.2.2.5 Economic Trees: Forest and Fruit Trees

Trees of economic value represent non-moveable assets. They provide fruit as a source of income and food, and other uses such as timber for construction. The value of trees displaced by the Project will be calculated as follows:

- **Fruit trees** will be valued based on the average yield/tree/year, average current market price and expected productive life span. This information will be used together with the rates specified in the schedule of such rates prescribed by the Directorate of Agricultural Research Services of the Ministry of Agriculture to determine the compensation payable to each fruit tree owner.

- **Forest trees** will be valued based on the provisions set out in the Malawian Government Gazette of 2010, which specifies assessment approaches for commercial operations.

7.2.2.6 Buildings, Dwellings and Communal Structures – Contractors Method (Full Replacement Cost)

The valuation of buildings, dwellings and domestic structures is based on such structures being immovable assets and thus having to be removed/demolished to gain land required for the Project. The national laws and practices of Malawi provide for ‘market value’ as basis for determining the compensation value of any assets that will be subject of compulsory acquisition or acquired for a project that is for a public purpose. Values for affected buildings and will be determined by taking into account the construction materials used, floor/surface area covered, age and location of building or property. Using this valuation method, the cost of reconstructing the buildings as new will be assessed. No allowance will be made for depreciation thus complying with IFC PS 5.

The valuation will be based on an inventory of affected assets recorded at the cut-off date for eligibility. A verification survey should ensure that all assets are properly recorded within the presence of professional surveyor, the owner, a representative of Sovereign, and a delegated local government official. The inventory should detail the owner of each structure, its usage, size, area to be affected in
proportion to the whole, and the materials from which it is made. As eligibility for compensation or other forms of assistance is linked to the findings of the inventory, all those who may be directly affected by the loss also need to be recorded: that is, not only the owners of the property but others who occupy, reside or work in the affected structures, including tenants, renters and workers/employees.

7.2.2.7 Other Structures

For the valuation of “Other Structures” e.g. wells, cattle kraals, water troughs etc. the Project will value these structures either through replacement cost of the structures (e.g. cattle kraals) or the income approach (e.g. for beehives), whichever is more appropriate. Partially developed structures could be paid in cash at replacement cost of materials and labour input or replaced if the entire structure is affected. If such structures can be moved without damage the Project will provide for transportation costs without compensation for the structure itself.

7.2.2.8 Tenants

Tenants’ interests in land will also be valued. Improvements on land owned by tenants will be valued as for landowner. Depending on the type of tenancy, tenants might also be paid transport allowance for transporting tenants’ effects and disturbance allowance.

7.2.2.9 Loss Resulting from short-term temporary displacement

Current indications are that there will no or very limited temporary displacement as result of the Project. However, if any temporary displacement occurs, Sovereign will negotiate rentals of such lands for the time duration the temporary displacement will be expected. The basis for establishing land rates for renting purposes would be the current land leasing rates. For the Valuation of Assets affected by temporary displacement there will also be some level of disruption of economic activities during construction works such as temporary road closures, temporary disruption to access grazing lands. These aspects could be compensated via livelihood reinstatement criteria (Chapter 1) and/or specific allowances (Section 7.2.3).

7.2.2.10 Formal and Informal Businesses Affected by Relocation

Any formalised businesses would be entitled to loss of profit allowances set out in Section 7.2.3. Compensation for loss of structures is addressed 7.2.2.6 above. Informal business (e.g. kiosks selling mobile credits, foodstuffs, and petty traders) may not be eligible for loss of profit allowances, but the Project will provide support to move and re-establish the business at the resettlement site or another nearby location.

7.2.2.11 Losses Suffered by Owners for Rental Properties and for Tenants

For landholders, the amount of compensation payable will be based on loss of rental over the time it takes to reinstate them. Compensation for loss of income from tenants is assessed for 3 months multiplied by the rental fee. For tenants of land or buildings, in practice, assessment of compensation
is usually based on 3 months’ rent equivalent in cash - as an estimate of the time that it would take to secure alternative accommodation.

7.2.2.12 Valuation of Graves and Ritual Sites

Current indications are that the Projects will have a very limited impact on graves and likely not impact spiritual sites; however, as mentioned earlier these are sometimes only identified or recorded when official valuations are completed for compensation purposes. Consequently it is necessary to make provision for the valuation thereof. The valuation of graves and ritual sites will involve:

- Compensation to deceased relatives: Here the basis of the assessment should be reasonable expenses that the deceased family members will have to incur in rituals associated with exhumation of graves. It is noted that these customs are not documented and in most cases and it is likely that they will have to be negotiated.

- Grave removal and reburial: Compensation payable shall be limited to the reasonable expenses incurred in the removal, transportation, reinstatement and re-interment of the grave or dead body and any placatory or expiatory rites or other ceremony accompanying such removal and reinterment. Compensation rates for graves will be based on a Registered Valuer’s opinion (taking into account construction cost, material type, digging costs, reburial ceremony costs) and guidance from the Department of Land and Valuation on appropriates rates for grave types.

- With regards to sacred sites the Project should offer support to relocate the sacred site as well as to compensate for any eligible structures that form part of the site. Compensation for relocating affected cultural sites and graves will be discussed further with PAPs and Village Authorities.

7.2.3 Allowances

In addition to the above there are various allowances required in terms of IFC PS 5 to form part of compensation for the acquisition of land and assets. For this Project the following allowances are recommended:

- Disturbance compensation is a sum added to the purchase price of the property when it is acquired. It is proposed that disturbance allowance will be calculated as 15% of value of lost assets.

- Allowance for transactional costs, such as:
  - Property registration and other transactional costs;
  - Cost related to identification of replacement land;
  - Banking costs associated with administration of compensation payment, taxes and transaction costs, etc. and
  - Bush clearing on the identified alternative land.
- **Transport Allowance** – This will be paid to all owners of houses which are displaced and is calculated as the actual cost of transporting twelve (12) tons of luggage by rail or road (whichever is cheaper) within twenty (20) km from the point of displacement. It is expected that for this Project this will be the upper limit and in most cases a cash amount will be paid to the household to enable them to move the goods a short distance. This will be established by the Registered Valuer.

- **Accommodation Allowance** - This should be paid to all households living in a functional house (not an empty and/or abandoned house) that is displaced and is based on the market rent for the building (amount per room multiplied by number of rooms) and multiplied by 3 months in order to arrive at the accommodation allowance payable.

- **Loss of Profit Allowance** – This procedure is relevant for larger formal businesses (e.g. Industries and operating mining projects). Given that most of the potentially affected persons operate small business with no formal record keeping this requirement will not be triggered. For this Project it is proposed that the net monthly profit of the business carried out on the land shall be assessed, evidenced by audited accounts where necessary and applicable, and multiplied by 3 months to arrive at the loss of profits payable proportionate to the amount of land acquired for the Project. In the absence of audited accounts the Registered Valuer will establish whether net monthly profit would be affected on the basis of interview with the business owner combined with Registered Valuer’s expert judgement, with the loss of profit figure confirmed with the business owner. The amount of profit will vary depending on size, performance and location of the business. Different businesses are assigned specific net profit rates by the Registered Valuer. For informal traders not considered eligible for loss of profit by the Registered Valuers, the Project will provide support to move and re-establish the business at the relocation site or at an alternative location.

### 7.3 Compensation Options and Packages

Further to the valuation methodologies outlined in Section 7.1.3 above, options and packages are proposed by the Project to ensure that IFC PS 5 criteria are fully addressed particularly to “improve, or restore, the livelihoods and standards of living of displaced persons”. As mentioned, the entitlements options outlined below are proposals which will be subject to change and the final entitlements will be presented in the RAP document once these have been finalised in consultation with PAPs.

#### 7.3.1 Cash and Like-for-Like Compensation

A general principle to emphasise throughout the options outlined below and included in the Entitlements Framework is that the Projects’ preference is to offer like-for-like compensation for affected land and assets in line with IFC PS 5. It is recognised that some PAPs may have preferences for cash compensation. If persons do request cash compensation, it will be important to ensure that they (and their dependants) are able to continue to sustain their livelihoods through a sufficient land and asset base outside those being acquired by the Project. The Project thus proposes offering for
households to be physically displaced an option of a combination of cash compensation and depending on availability (a) like-for-like replacement of land and assets depending on the preferences of the PAPs or (b) minimum standard allocation of replacement land with remainder being compensated. Therefore, all households affected by physically displacement will be offered a ‘mixed’ compensation option (outlined below) or full cash compensation.

7.3.2 Housing and Residential Land

Persons losing dwelling structures and the residential land on which these dwellings are located will be offered a choice between cash compensation and replacement dwellings. For those choosing replacement housing, this will be offered with due deliberation regarding pre-existing housing arrangements recorded in the asset and census surveys. These persons will be offered:

- An adequate replacement house and a standard allocation of replacement land (equivalent title) at or near the closest village site;
- Plus cash compensation for any residential land affected and not replaced, and support from the Project to identify further replacement land if requested.

Property owners will receive replacement housing and ancillary domestic structures (kitchen and toilet structures) as selected from a set of standard house designs.

The designs will be aimed to provide adequate housing which will, at a minimum, comply with Malawian building regulations and relevant building and planning codes.

Replacement housing will, as far as possible, be constructed within existing communities at suitable and available plots. Such sites will be identified with participation from physically displaced households. Where a cluster of households are displaced by Project activities, an appropriate resettlement site will be identified based on agreed site selection criteria, including characteristics such as distance from existing community and social network, ground suitability and safety, as well as access to public facilities.

Secondary residential structures and ancillary immovable homestead structures will be assessed based on functional, locational and cultural factors. In some circumstances housing is “compound” style with several houses forming one family unit and where it would inappropriate to relocate some of the housing units separate from the primary dwelling or the compound. Further, other ancillary structures may also be an extension of the house/s (or compound) such as separate kitchens, food storage areas etc. Compensation would thus need to address both secondary residential structures and homestead structures as part of the whole PAH where necessary. If the house or ancillary structure does not satisfy the criteria above and is not for permanent residential or regular household use it will be replaced with cash. PAP who elect for cash compensation for houses will need to demonstrate that:

- their spouse and dependents in the house agree with the selection of cash compensation;
• they have arrangements in place to move to another house; and
• they have the means to maintain or restore their livelihoods.

The Project will provide appropriate support to ensure that the consequences of choices are fully understood. The Project may also be able to offer additional in-kind support for livelihood restoration assistance and, if necessary, support to vulnerable persons (Chapter 7).

### 7.3.3 Communal Structures

Displaced communal structures will be compensated for with replacement structures without sacrificing the quality, cost, and duration of construction. The designs of communal facilities will be undertaken in collaboration with the relevant institutions, authorities and affected communities. In addition, cash allowances (disturbance, transport allowances) would also be offered where appropriate.

### 7.3.4 Replacement Agricultural and/or Grazing Land

Persons with formal or customary rights to agricultural land affected by the Project will be offered a choice between:

• Cash compensation for the land: this may be relevant when a small proportion of the PAP’s land will be impacted by the Project (i.e. with remainder allowing continuation of land use; and
• Replacement land: where it is not possible to provide replacement land of equivalent size and productivity as the affected land (including orphaned land), cash compensation will be provided for the difference in size between the original landholding and the replacement land.

These options will apply to individual as well as any communal landholdings if these are identified later on. All persons losing agricultural and/or grazing land will also be offered relevant livelihood restoration support. The processes and criteria that will be applied to identify suitable replacement land, as well as alternative approaches that can be applied to maximise access to farmland, are discussed in Chapter 10. The Project will be responsible for the completion of all land transactions.

Persons selecting to receive cash compensation for affected land (as opposed to a combination of replacement land and cash where required) will be offered appropriate support to ensure that the consequences of choices are fully understood, and will need to demonstrate that their spouse and dependents in the house are in agreement (i.e. spousal consent) with the selection of cash compensation, that they have arrangements in place to utilise other land, or better use existing land; and that they have the means to maintain or restore their livelihoods.

### 7.4 Additional Entitlements Offered by Sovereign to PAPs

In addition to the entitlements outlined above, the following additional entitlements are proposed to encourage PAPs to select the replacement housing and standard allocation of replacement land rather than cash compensation. These additional entitlements include:
• Adequate replacement housing will be offered – for example construction materials are likely to comprise cement blocks with iron sheet roofs making houses far more tolerant to the rains in the area. A minimum size of house shall be offered and up to 3 housing options will be available with the most appropriate option proposed to each household, depending on household size and structure. The detailed housing design work for house types, design and construction details will be discussed with PAPs, Village Leaders, District Officials, disclosed to the PAPs and detailed in the final RAP.

• Transition allowance – for relocated households and those households loosing agricultural land the Project proposes additional assistance which will provide adequate opportunity for households to re-establishment their livelihoods. This will facilitate food security during a transitional period. In addition to a disturbance allowance the project will offer additional assistance to particularly vulnerable individuals and households during and after relocation.

• Land preparation costs – those PAPs displaced from their agricultural land will also receive a once-off compensation based on the value of the labour invested in preparing replacement land for agriculture or allied purposes. This will be compensated as the sum of the average costs of clearing, ploughing, sowing, weeding twice, and harvesting the replacement crops.

• Multiple Livelihood Restoration Support Programmes – the Project will provide a programme of initiatives for restoring and improving livelihoods of PAPs, a major focus of this will be agricultural improvements, financial training and skills training.

• Host community allowance – the Project will provide resettlement assistance to those villages where PAPs (housing and/or farmland) will be relocated.

• The Project will be designing a full suite of relocation assistance and ensuring that the administrative capacity for delivery is catered for in the implementation process.

7.5 Outline Entitlement Matrix

Table 7-2 sets out the various categories of potential loss envisaged, impacts of loss, effects of loss and entitlements. The Entitlement Framework assumes eligibility in terms of presence of eligible PAPs and compensable items prior to cut-off has been established and that entitlement conforms to IFC PS 5.
### Table 7-2: Entitlements Framework

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| Land   | A1 Loss of Land with dwelling – entire plot acquired (because it falls wholly in the Project footprint or because remaining land classified as orphaned as it is rendered unviable for continuation of existing use) | Acquisition (Permanent Loss) | Legal holders defined and registered as per the Land Act (2016) Customary holder of land with respect to Customary Land as per the Customary Lands Act (2016) Person with informal occupancy. Institutional owners | In-kind Option:  
• Provision of replacement land of equivalent size to land lost, at suitable location, with security of tenure as per IFC PS 5;  
• Project to incur all transactional costs on PAPs behalf;  
• Disturbance Allowance of 15% of the value of lost value will be provided; and  
• Participation in livelihood restoration programmes  
OR Cash Option:  
• Compensation for permanently lost land at replacement cost (according to market rates as defined by the Registered Valuer);  
• Disturbance allowance of 30% of the value of land lost will be provided to those who do not get land for land, irrespective of the size of land;  
• Compensation for relevant transactional costs;  
• Financial/cash management training; and  
• Participation in livelihood restoration programmes.  
OR Mixed Option:  
• Provision of replacement land of standard size, at suitable location, with security of tenure as per IFC PS 5;  
• Cash compensation for land affected and not replaced;  
• Project support to find land to replace portion compensated for in cash, if portion is significant in size;  
• Disturbance Allowance of 15% of the value of lost value will be provided;  
• Compensation for relevant transactional costs;  
• Financial/cash management training  
• Participation in livelihood restoration programmes.  

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| A2 Loss of land with dwelling – only part of plot acquired (with remaining portion of viable for economic use) | Acquisition (Permanent Loss) | Legal holders defined and registered as per the Land Act (2016) Customary holder of land with respect to Customary Land as per the Customary Lands Act (2016) | • Pro-rata replacement value for affected portion of land;  
• Based on pro-rata replacement valuation step above PAP offered the same options (In-Kind, Cash or Mixed) as A1 above. |

6 Informal occupiers have a presence on the property that is deemed to be permanent or semi-permanent and that precludes other competing interests.

7 For transaction or registration costs real figures will be established from the local authorities. Transactional cost would include transfer or registration of titles and taxes to be borne by the project within one year from the time compensation is paid.

8 As indicated the Disturbance allowance is 15% average percentage rate of interest offered by commercial banks on fixed deposits for twelve months at the time of loss of interest in land.

9 Where applicable, mortgage is deducted from pay-out and paid to lending institution. This principle applies to all assets that are encumbered with a mortgage.

10 Higher disturbance compensation rate for those opting for Cash compensation as PAPs will need to undertake additional effort to identify replacement land and re-establish property etc., as opposed to those opting for in-kind compensation.
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| A 3 Permanent loss of agricultural (crop) land where entire plot affected or remaining portion not viable (orphaned land) | Acquisition (Permanent Loss) | Legal holders defined and registered as per the Land Act (2016) Customary holder of land with respect to Customary Land as per the Customary Lands Act (2016) Person with informal occupancy. Institutional owners | **In-kind Option:**  
- Provision of replacement land of equivalent size, or an amount of land with equivalent productive value;  
- Project to incur all transactional costs on PAPs behalf;  
- Provision of labour required to ensure land is at the same level of preparedness as at time of crop survey;  
- Disturbance Allowance of 15% of the value of the land lost will be provided; and  
- Participation in livelihood restoration programmes.  
OR **Cash Option:**  
- This option is offered when in-kind replacement is not possible, or where owner has access to alternative farm land suitable for the same agricultural purpose and household has agreed to cash compensation;  
- Compensation at replacement cost for agricultural land. Inclusive of the value of labour invested in preparing agricultural land will be compensated for using wage for the same period of time;  
- Disturbance allowance of 30% of the value of land lost will be provided to those who do not get land for land, irrespective of the size of land;  
- Support from Community and District Councils in identification of alternate land;  
- Financial/cash management training; and  
- Participation in livelihood restoration programmes; and  
OR **Mixed Option:**  
- Pro-rata replacement value for affected portion of land; and  
- Based on pro-rata replacement valuation step above PAP offered the same options (In-Kind, Cash or Mixed) as A3 above. |
| A 4 Permanent loss of agricultural (crop) land where only part of plot acquired with remaining portion still viable | Acquisition (Permanent Loss) | Legal holders defined and registered as per the Land Act (2016) Customary holder of land with respect to Customary Land as per the Customary Lands Act (2016) Person with informal occupancy. Institutional owners | **In-kind Option:**  
- Pro-rata replacement value for affected portion of land; and  
- Based on pro-rata replacement valuation step above PAP offered the same options (In-Kind, Cash or Mixed) as A3 above. |
| A 5 Permanent loss of agricultural (crop) land | Acquisition ( Permanent Loss) | Legal holders defined and registered as per the Land Act (2016) | **In-kind Option:**  
- Support from Community and District Councils in identification of alternate land available for rent; |
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|        |        |        | Customary holder of land with respect to Customary Land as per the Customary Lands Act (2016) Person with informal occupancy. Institutional owners | • Where replacement land is identified, Project to incur all costs to ensure access for two seasons;  
• Provision of labour required to ensure land is at the same level of preparedness as at time of crop survey;  
• Cash compensation for improvements on the land effected by tenant;  
• Disturbance Allowance of 15% of the value of the land lost will be provided; and  
• Participation in Livelihood Restoration Programmes  
**OR Cash Option:**  
• Cash compensation for renting of similar plot of land for two seasons;  
• Cash compensation for improvements on the land effected by tenant;  
• In case the owner receives cash compensation, where there is a tenant or sharecropper relationship, the tenant or sharecropper will receive compensation in cash at agreed rates for full replacement cost for crops in proportion to their sharing arrangement;  
• Disturbance allowance of 30% of the value of land lost will be provided to those who do not get land for land, irrespective of the size of land;  
• Financial/cash management training; and  
• Participation in livelihood improvement programmes. |
| A 6 Permanent loss of grazing land | Acquisition (Permanent Loss) | Legal holders defined and registered as per the Land Act (2016) Customary holder of land with respect to Customary Land as per the Customary Lands Act (2016) Person with informal occupancy. Institutional owners | • Compensation for loss of access to grazing through support for livelihood improvement programmes.  
• Other entitlements including on-kind options outlined category H below;  
• Support from Community and District Councils in identification of alternate grazing land;  
**OR**  
• Cash compensation based on assessment of livelihoods derived from typical areas of grazing land in the locality (using TLU model).  
• Disturbance allowance of 30% of the value of land lost will be provided to those who do not get land for land, irrespective of the size of land;  
• Financial/cash management training; and  
• Participation in livelihood improvement programmes |
| A 7 Permanent loss of bare farm land /vacant land | Acquisition (Permanent Loss) | Legal holders defined and registered as per the Land Act (2016) Customary holder of land with respect to Customary Land as per the Customary Lands Act (2016) Person with informal occupancy. Institutional owners | • Cash compensation for the farmland/vacant land at replacement cost;  
• Disturbance allowance of 30% of the value of land lost will be provided to those who do not get land for land, irrespective of the size of land;  
• Financial/cash management training; and  
• Participation in livelihood improvement programmes. |
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<tr>
<td>A 8 Temporary loss (incl. loss of access) of agricultural (crop) land, grazing land, fallow land</td>
<td>Temporary Loss</td>
<td>Legal holder defined and registered as per Land Act 4  Customary holder of land with respect to Village Land or General Land as per Land Act 4  Person with informal occupancy as confirmed by Local Government Representative, Traditional Authorities and land owner.</td>
<td>• Cash payment based on formal lease agreement determined by affected land area and based on Registered Valuers’ opinion and valuation of the affected land for its present use and length of time of temporary loss;  • Cash- Where there is a tenant or sharecropper relationship, the tenant or sharecropper will receive compensation in cash based on the formal lease agreement in proportion to their sharing arrangement and length of temporary loss; and  • Disturbance allowance of 30% determined based on the period of loss;  • Cash compensation required to restore land to same level of preparedness as prior to disturbance; and  • Cash compensation based on damages to land as determined by Registered Valuer.  • Significant displacement impact consider inclusion in livelihood restoration programmes.</td>
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<td>Loss of Residence by Owner</td>
<td>B 1 Loss of primary residence and secondary dwellings for wives or family members – houses must be occupied and complete at time of final asset survey</td>
<td>Permanent Loss</td>
<td>Structure owner and occupier irrespective of legal right of occupation including “Certificate of Occupancy”</td>
<td>In-kind Option:  • Property owners will receive replacement housing and ancillary domestic structures (kitchen and toilet structures) with adequate house design. The design will, at a minimum, be in compliance with all relevant building and planning standards;  • Transaction costs;  • Payment of transportation allowance for cost of removal of household goods and reusable and transportable construction materials to replacement location;  • Disturbance Allowance of 15% of the compensation sum;  • Right to salvage materials from the existing structure, even if replaced; and  • Participation in livelihood improvement programmes.  OR Cash Option:  • Full Replacement cost for lost structure/s in entirety.  • Where applicable, mortgage is deducted from pay out and paid to lending institution;  • Disturbance Allowance of 30% of the compensation sum.;  • Costs for transactional expenses;  • Accomodation allowance;  • Transportation allowance;  • Right to salvage materials from the existing structure, even if replaced; and  • Financial / cash management training; and  • Participation in livelihood improvement programmes.</td>
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<td>B 2 Loss of secondary Dwellings (rental houses, free accommodation for relatives,)</td>
<td>Permanent Loss</td>
<td>Structure owner (but not necessarily occupant)</td>
<td>Subject to same criteria for B1 and if complies:  • Replacement cost for structure as surveyed.  • Right to salvage materials from the existing structure, even if replaced;</td>
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11 Cash option available to homeowners with proven and verified alternative dwelling suitable for household members identified during final census survey; Combination of cash and in kind package for homeowners who prefer a smaller replacement house and the balance paid in cash for improved finishes assessed on case-basis.
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<td>etc.)</td>
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<tr>
<td>B 3 Loss of primary residence occupied and complete at time of final asset survey (without permanent relocation)</td>
<td>Partial or temporary loss where remaining homestead structures are viable</td>
<td>Structure owner and occupier irrespective of legal right of occupation</td>
<td>• Disturbance Allowance up to 15% of the compensation sum.; and &lt;br&gt;• Other allowances as applicable &lt;br&gt;OR &lt;br&gt;• Property owners will receive replacement housing and ancillary domestic structures (kitchen and toilet structures) with standard house design. The design will, at a minimum, comply with all relevant building and planning standards; and &lt;br&gt;• Participation in livelihood improvement programmes. &lt;br&gt;• Cost of transportation for the removal of household goods and reusable and transportable construction materials to replacement location. &lt;br&gt;• Disturbance Allowance up to 15% of the compensation sum.;</td>
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<td>B 4 Partial loss of residence (without permanent relocation)</td>
<td>Partial or temporary loss where remaining homestead structures are viable</td>
<td>Owner (but non-occupant) of property used for rental purposes</td>
<td>• Full Replacement cost for structure in entirety or pro rata if a viable entity remains; &lt;br&gt;• Disturbance Allowance 15%; &lt;br&gt;• Loss of Rental Income if applicable for period of disturbance; and &lt;br&gt;• Participation in livelihood improvement programmes.</td>
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<td>B 5 Ancillary structures and outbuildings, livestock kraals, wells/boreholes, septic systems, storehouses, perimeter walls, steps, verandas, non-tarmac access points, and the like - including incomplete structures</td>
<td>Permanent or Temporary Loss of Other and Ancillary Structures</td>
<td>Owner of infrastructure - note that this may not be same as owner of plot.</td>
<td>• Replacement cost for impacted portion of structure – or entire structure, if no longer viable; &lt;br&gt;• Incomplete structures to be valued at Replacement Cost considering the level of completion of the structures; &lt;br&gt;• Disturbance Allowance 30%; and &lt;br&gt;• Cost of transportation for the removal of household goods and reusable and transportable construction materials to replacement location.</td>
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<td>B 6 Sanitation facilities</td>
<td>Permanent Loss of sanitation facilities</td>
<td>Owners of residential, commercial and other buildings. Government agencies as owners of communal facilities</td>
<td>• In kind – Provision of on-site composting latrines, one per affected household or per physical planning standards.</td>
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| Loss of Residence by Tenant  | C 1 Loss of place of residency | Permanent Loss       | Tenants, or other owner permitted occupant or informal occupant 12  | • Reimbursement for unexpired tenancy / lease period or the amount of deposit or advance paid by the tenant to the landlord or the remaining amount at the time of expropriation, on condition that proof of a formal tenancy agreement has been provided.  
• Accommodation allowance;  
• Disturbance allowance of 15%;  
• Transport allowance; and  
• Participation in livelihood improvement programmes |
|                              | C2 Loss of place of residency | Temporary loss of accommodation | Tenant, other owner permitted occupant, or informal occupant | **In-kind Option:**  
• In-kind provision of temporary alternative accommodation if available with Project support as required; and  
• Transport assistance with temporary relocation,  
**OR Cash Option:**  
• Rental accommodation payment for period of disturbance  
• Disturbance allowance of 15%; and  
• Transport allowance |
| Loss of Business Structures by Owner | D 1 Fixed Structure designated as business premises | Permanent loss | Structure owner (irrespective of legal right of occupation) and operator of business | **In-kind Option:**  
• Replacement structure if available and acceptable (existing buildings may be rehabilitated or adapted for the purpose)  
• Transitional allowance (cost for shifting and reestablishment of the business plus all other related costs, including cost for registering commercial property rights, if applicable).  
• Disturbance Allowance 15%;  
• Compensation for Loss of Profits - for the period of the time required to re-establish the business – a minimum of 3 months income with a maximum of one year depending on the type of business. For formal business monthly income will be derived from previous year’s financial statements and informal business the amount will be based on the Registered Valuer's professional opinion;  
• Right to salvage materials from the existing structure; and  
• Participation in livelihood improvement programmes.  
**OR Cash Option:**  
• Replacement cost for entire structure, inclusive of appropriate fitting out costs  
• Compensation for Loss of Profits - for the period of the time required to re-establish the business – a minimum of 3 months income with a maximum of one year depending on the type of business. For formal business monthly income will be derived from previous year’s financial statements and informal business the amount will be based on the Registered Valuer's professional opinion  
• Transitional allowance (cost for shifting and reestablishment of the business plus all other related costs, including... |

12 The definition of a qualifying tenant will have to be strictly applied in this regard. The Rent Restriction Act, although repealed defines a tenant as a party who occupies land and has erected a structure upon land owned by a third party or who has an agreement to occupy with a third part. The issue of formal agreement is paramount. Members of an immediate family who occupy land in the absence of an agreement are precluded as being classified as tenants.
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<td>• Transport allowance - Full cost of transportation for the removal of goods and reusable construction materials to new location;</td>
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<td>• Right to salvage materials from the existing structure.; and</td>
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<td>• Participation in livelihood improvement programmes.</td>
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<td>D 2 Fixed Structure designated as business premises</td>
<td>Permanent Loss</td>
<td>Structure owner (irrespective of legal right of occupation) but non-operator of business</td>
<td>In-kind Option:</td>
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<td>• Replacement structure, if available and acceptable (existing buildings may be rehabilitated or adapted for the purpose);</td>
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<td>• Disturbance Allowance – 15% of Replacement cost</td>
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<td>• Transaction and transportation Costs;</td>
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<td>• Right to salvage materials from the existing structure.; and</td>
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<td>OR Cash Option:</td>
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<td>• Replacement cost for entire structure;</td>
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<td>• Right to salvage materials from the existing structure.; and</td>
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<td>• Loss of Rental Income for 3 months.</td>
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<td>D 3 Fixed Structure designated as business premises</td>
<td>Temporary loss with remaining plot or structure being viable</td>
<td>Structure owner (irrespective of legal right of occupation) and operator of business</td>
<td>Replacement cost for portion of structure impacted;</td>
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<tr>
<td>D 4 Fixed Structure designated as business premises</td>
<td>Temporary loss with remaining plot or structure being viable</td>
<td>Structure owner (irrespective of legal right of occupation) and non-operator of business</td>
<td>Business Disturbance - cost determined by the number of days of impact; and</td>
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<tr>
<td>D 5 All non-fixed structures designated as business premises</td>
<td>Permanent loss</td>
<td>Owner operator &amp; Owner non-operator</td>
<td>Disturbance Allowance 15%.</td>
<td></td>
</tr>
<tr>
<td>D 6 All non-fixed structures</td>
<td>Temporary</td>
<td>Owner operator &amp; Owner non-operator</td>
<td>Assistance with identification of equivalent or adequate site, if available, with similar tenure</td>
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<td></td>
<td>• Loss of Income 3 months;</td>
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<td></td>
<td>• Transport allowance;</td>
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<td>• Disturbance allowance 15%, including labour inputs to re-establish structure; and</td>
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<td>• Compensation for perishables, breakages, etc.;</td>
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| Loss of Business by Tenant | designated as business premises | closure/disruption | Business Tenant / Renter with proof of tenancy / Leasing or in absence of formal agreement, identification through premises owner. | • Reimbursement for unexpired tenancy/ lease period or the amount of deposit or advance paid by the tenant to the landlord or the remaining amount at the time of expropriation.  
• Loss of Income/Profit for 3 months;  
• Transportation Relocation allowance;  
• Disturbance allowance 15%;  
• Compensation for Perishable Inventory; and  
• Participation in livelihood improvement programmes. |
| Loss of Business by Tenant | E 1 Fixed Structure designated as business premises | Temporary Loss | Business Tenant / Renter with proof of tenancy / Leasing or in absence of formal agreement, identification through premises owner. | In-kind Option:  
• Alternative temporary business premises for period of disturbance;  
• Compensation for Perishable Inventory  
OR Cash Option:  
• Business Disturbance - cost determined by the number of days of impact; and  
• Compensation of Perishable Inventory |
| Loss of Business by Tenant | E 2 Fixed Structure designated as business premises | Permanent Loss | Business Tenant | • Project support to find new location and transport assistance of non-fixed business premises to new location;  
• Loss of Income 3 months;  
• Perishable Inventory;  
• Participation in livelihood improvement programmes. |
| Loss of Business by Tenant | E 3 All non-fixed structures designated as business premises | Temporary Loss | Business Tenant | • Business Disturbance - cost determined by the number of days of impact/ Loss of Profit.; and  
• Perishable Inventory. |
| Loss of resources providing income in cash or kind | G1 Loss of natural resources and/or restriction on access to natural resources such as medicinal plants, forests/timber, non-economic trees | Permanent Loss | Resource users or any persons losing an income stream associated with land alienated and including seasonal natural resource users, e.g medicinal plants, firewood etc. (IFC PS 5 GN 8). | • Project to endeavour to find resettlement sites (if applicable) that maintain access to natural resources.  
• If access to natural resources cannot be maintain establish such resources at the site where feasible  
• Loss of Income 3 months;  
• Livelihood restoration aimed through providing training designed to provide assistance and support for income replacement activities. |

13 Structure must be set up to support a business such as a kiosk, maize milling facility etc, contain equipment and to facilities that would support a business and have accounts showing operation of a business. Business tenant to be verified as such by the Ward Officer, Village representative or equivalent.
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| Loss of Communal or Institutionally owned structures or land | H1 Structures owned by community or institutions. These include community centres not built by government, such as churches, mosques and other places of worship, market stalls, private schools, private clinics, etc. | Permanent Loss | Owner of buildings and infrastructure | In-kind Option:  
- Replacement of equivalent facility; and  
- Disturbance Allowance equivalent to 15% of replacement value.  
- Right to salvage materials from the existing structure, even if replaced; and  
- Payment of transportation allowance for cost of removal of goods and reusable and transportable construction materials to replacement location;  
- Project to incur all transactional costs;  
OR Cash Option:  
- Full Replacement cost for land and structures;  
- Disturbance Allowance equivalent to 30% of replacement value;  
- Right to salvage materials from the existing structure, even if replaced;  
- Payment of transportation allowance for cost of removal of goods and reusable and transportable construction materials to replacement location; and  
- Compensation for all transactional costs. |
| H2 Structures owned by community or institutions, as per H1 | Temporary or Partial Loss | Owner of buildings and infrastructure | In-kind Option:  
- Replacement in-kind of lost portion;  
- Disturbance Allowance 15%; and  
- Cost of rental of alternative site during period of temporary disturbance.  
OR Cash Option:  
- Replacement cost for impacted portion of structure – or entire structure, if no longer viable;  
- Disturbance Allowance |
| H3 Government developed and owned structures | Permanent Loss | Government as owner | Compensation on a case by case basis as per agreement with government |
| H4 Government developed and owned structures | Temporary of partial Loss | Government as owner | As for H3 |
| H5 Land used primarily for communal purposes, particularly land used for collective grazing | Permanent Loss | Communal owner | In-kind Option:  
- Alternative land if available; and  
- Design and implementation of appropriate livelihood improvement programmes.  
OR Cash Option:  
- Land value paid to community (entity to be nominated by community). Cash compensation based on assessment of livelihoods derived from typical areas of grazing land in the locality (using TLU model). |
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<tr>
<td>H 6 Land used primarily for communal purposes, particularly land used for collective grazing</td>
<td>Temporary Loss</td>
<td>Communal owner</td>
<td>• Rental Land value paid to community (entity to be nominated by community) for duration of disturbance.</td>
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| H 7 Roads, pathways, drainage, and electricity mains | Permanent Loss of infrastructure | District and local government, communities, or utility company. | • Replacement of roads within communities to national road safety standards including drainage and safety crossings where required.  
• Divergence of services and infrastructure in conformity with national standards.  
• Provision of access roads to resettlement sites where there is no existing access.  
• Rerouting of pathways around project infrastructure based on assessment of loss of access. |
| Trees and Crops | I 1 Loss of seasonal crops / seedlings replanted after harvesting | Permanent loss or restriction of access | Owner of Crops/ Seedlings | • No compensation as the intention is to provide opportunity to harvest seasonal crops prior to land acquisition and relocation;  
• Three months’ notice to harvest standing crops shall be given. However, if notice cannot be given then compensation for these crops shall be paid.  
• The value of standing crops will be determined through using by income method and defined compensation rates;  
• Participation in livelihood improvement programmes; and  
• Disturbance Allowance 15%. |
| | I 2 Loss of perennial (annual) crops | Permanent loss or restriction of access | Owner of Trees | • Owners of trees that will be lost will receive cash compensation for the trees based on the valuation established by the Registered Valuer and approved by the Government Chief Valuer;  
• Participation in livelihood improvement programmes;  
• Disturbance Allowance of 15% based on the value of the trees;  
• Compensation will be based on the provision of the Forestry Products Gazetted Prices sourced from GoM;  
• Crop / tree owner may, if possible, dig up tree and move elsewhere/sell (where possible given type of tree); and  
• Financial / cash management training. |
| | I 3 Loss of fruit trees | Permanent loss or restriction of access | Tree owner | • Owners of economic trees that will be lost will receive cash compensation for the trees based on the valuation established by the Registered Valuer and approved by the Government Chief Valuer; and  
• Participation in livelihood improvement programmes.  
• Disturbance Allowance based on the value of the trees; and |
| | I 4 Loss of timber trees | Permanent loss or restriction of access | Tree owner | • Same process as I 3 |
| | I 5 Loss of fruit or timber trees | Permanent loss or restriction of access | Communal/Village ownership | • Same as I 4 however compensation paid to nominated Community entity |
| | I 6 Unforeseen damage to standing crops not within | Partial loss of crops | Crop and tree owners – community and individual | • To be undertaken on a case by case basis.  
• PAP to report to Resettlement Grievance Management Committees to resolve issues. |
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<td>acquired area due to movement of machinery, etc.</td>
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<td></td>
<td>• Cost shall be determined based on Crop/Tree Valuation method as per I 1 – I 5</td>
</tr>
<tr>
<td>Cultural Assets</td>
<td>J 1 Any substantial loss of cultural assets or activities resulting from alienation of land or loss of access. These can be educational, religious or recreational assets.</td>
<td>Permanent</td>
<td>Cultural group or community impacted by loss</td>
<td>• Development intervention designed to provide alternative as agreed with the impacted group or community; • Compensation for cost of repair if falling inside of the Project area, or relocation in accordance with Malawian law and traditional customs (including pacification and purification); and • Preservation, compensation and relocation activities will be done in consultation with affected individual / family or relevant Government institutions responsible for cultural heritage.</td>
</tr>
<tr>
<td>J 2 Graves</td>
<td></td>
<td>Permanent</td>
<td>Individual or groups laying claim to grave</td>
<td>• District Health officers to oversee grave removal and relocation in conformity with health requirements; • Relocation or sealing of grave in consultation with claimant or representative of claimants; • The Project will provide compensation rates for graves based on Registered Valuer’s opinion (taking into account construction cost, material type, digging costs, reburial ceremony costs); and • Costs to cover the reburial ceremonies, buying of coffins and construction of tombstones for graves that had tombstones</td>
</tr>
<tr>
<td>Vulnerable Individuals or Groups</td>
<td>K 1 Supplementary program of social support for vulnerable people entitled to any of the above benefits</td>
<td>Permanent or Temporary Loss</td>
<td>Individual or groups that may be disproportionately impacted by displacement. This may include the elderly, disabled or those suffering extreme forms of deprivation.</td>
<td>• Designated assistance as assessed on a case by case basis to ensure that vulnerable people have access to intended compensation and protection afforded them by the conditions of the RAP; • Legal assistance, financial assistance and practical assistance; • Participation in livelihood improvement programmes; • Special allowance to assist PAP in transition period; and • If head of the household is not fit to avail of the entitlement, then some other able bodied member can be nominated.</td>
</tr>
<tr>
<td>Social networks</td>
<td>L1 Physically displaced households who choose to resettle on a replacement plot identified by the Project.</td>
<td>Permanent Loss</td>
<td>Physically displaced households</td>
<td>• Allocation of replacement residential plots based on household preferences to the extent possible to maintain or re-establish social networks, e.g. within existing villages; and • Compensation as per A1 In-kind option above.</td>
</tr>
<tr>
<td>Financial Transition</td>
<td>M1 Cash windfalls</td>
<td>Inability of households to manage sudden cash windfalls and misallocation of funds for items other than intended ends.</td>
<td>All persons receiving a form of cash compensation identified through final census surveys</td>
<td>• Money management training will be provided. Assistance with the opening of bank accounts.</td>
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<tr>
<td><strong>Livelihood Restoration Programmes</strong></td>
<td>N1 Loss of Livelihood generated by physical and economic displacement, time taken to restore livelihood to pre-displacement levels</td>
<td>Permanent loss of income and livelihood, limited ability to use existing skills and need for additional skills, distance from markets and customers.</td>
<td>Wage earners (workers employees within shop/business/industries) Livelihood loser. Employee</td>
<td>Assistance • Preference in provision of work opportunities related to the project during the construction stage and later if any available commensurate to his/her existing skill/education levels.</td>
</tr>
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<td></td>
<td>N2 Loss of Livelihood generated by physical and economic displacement, time taken to restore livelihood to pre-displacement levels</td>
<td>Temporary loss of income and livelihood, limited ability to use existing skills and need for additional skills, distance from markets and customers.</td>
<td>All PAPs employed by Businesses temporarily affected by the Project.</td>
<td>• Livelihood Restoration Programmes based on findings from socio-economic surveys bespoke to PAPs situation, could include agricultural training and support and additional skills training;</td>
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<td>• Transition allowance where applicable. Allowance would include lump-sum amount at the rate at a daily rate in case of unskilled labor and MK 16,500-20,000/month as per skilled category to cover the period of transition for 3 months (at 25 days/month) as provided by Department of Labour.</td>
</tr>
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8. Livelihood Restoration Planning

One of the most important aspects of any RAP is the LRP, which is based on a selection of suitable development projects that will be implemented to ensure that relocated households are not worse off after resettlement than they were before. The LRP is intended to offset resettlement impacts on people’s livelihoods and socio-economic well-being that cannot be adequately compensated for through monetary payments or the replacement of assets, for example disruption of social support networks, loss of income or reduced income, reduced access to markets, time required to reinstate agricultural plots, etc.

According to the United Kingdom’s Department for International Development (DfID, 2001): “A livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with, and recover from, stresses and shocks, and maintain or enhance its capabilities and assets both, now and in the future, while not undermining the natural resource base.” Livelihood assets typically include social, human, natural, financial and physical capital and involve direct and indirect interaction with social, political, economic and biophysical environments. Therefore, socio-economic circumstances of project-affected households cannot be viewed in isolation from other, sometimes complex and inter-related factors.

Livelihoods (their diversity, adequacy and sustainability) are undoubtedly the most important factors determining the resilience of affected communities in the face of project impacts. IFC PS 5, therefore, requires the following measures when development projects result in the relocation of people:

- Improve, or at a minimum, restore the livelihoods and standards of living of displaced persons and households, in particular vulnerable and/or disadvantaged persons;
- Ensure that affected vulnerable people receive additional and/or targeted assistance, if required; and
- Provide opportunities to displaced people to derive appropriate development benefits from the Project (e.g. by means of employment creation, capacity building and socio-economic development).

Consequently, a LRP is usually included in resettlement planning when affected households are socially and economically vulnerable, or stand to lose of their livelihood assets/resources (or a portion thereof), as a result of displacement. In terms of a RAP, livelihood restoration differs from general “community development” in that it is specifically focused on displaced persons to ensure that their livelihoods are improved or at least restored to pre-resettlement levels. General community development is focused on the host community as a whole – not just the displaced portion of a community. However, it is preferable that livelihood restoration projects are designed in conjunction with, and eventually be integrated into, this broader community development approach.

The remainder of this chapter presents an outline of potential livelihood restoration options and initiatives that could be implemented as part of the RAP. The proposed LRP comprises the following:
• It identifies a few general considerations that are applicable to the design of a LRP;

• It defines the context of the LRP, with reference to the geographical and institutional setting within which the LRP would need to be implemented;

• It defines a number of options that could potentially be pursued as possible livelihood restoration projects. Some of these options were identified based on the results of the socio-economic survey; others are based on experience of livelihood restoration projects that have been successful elsewhere in comparable settings;

• It makes special provision for rendering focused assistance to vulnerable households within the affected community; and

• It outlines the steps for finalising the LRP post resettlement implementation.

8.1 Considerations for Developing a LRP

8.1.1 Local Strengths

Development programmes should take into consideration the strengths and assets that are available in the beneficiary community and its environment. These strengths and assets can be conceptualised in terms of five types of “capital” envisaged in the Sustainable Livelihoods Model\(^{14}\) as the basic elements on which people rely to gain their livelihood, namely:

- **Human capital** (including health, nutrition, education, knowledge and skills, as well as capacity to work and capacity to adapt);

- **Natural capital** (land and produce, water, trees, forest resources, biodiversity, wildlife and environmental services);

- **Social capital** (including networks and connections, norms of reciprocity, participation in decision-making, leadership, common rules and sanctions);

- **Physical capital** (infrastructure for transport, water supply, sanitation, energy and communications; shelter and buildings; tools and technology for production, as well as agricultural materials); and

- **Financial capital** (savings, access to credit, remittances, pensions and wages).

8.1.2 Socio-Economic Context

In assessing possible development options, cognisance must be taken of the interdependent relationship between social, political, economic and biophysical environments. Thus, socio-economic circumstances of project-affected households cannot be viewed in isolation from other, sometimes complex and inter-related factors.

Factors that are important in the design of the LRP include the following:

The geographical spread of resettlement sites relative to resources and infrastructure required for livelihood restoration activities (e.g. transport routes, land for agricultural activities, supply of necessary inputs), as this would affect the viability of livelihood restoration activities through influencing travelling times, security arrangements, input costs and the like;

- Offset markets for goods produced through livelihood restoration projects, including the location of these markets, competitors, the balance between supply and demand, etc.; and

- Other development activities and plans in the project area, such as social investment or development projects by other industries (e.g. Corporate Social Investment and/or community development projects) and other large private sector projects, as well as projects by government and NGOs, etc.

### 8.1.3 Institutional Arrangements

As a catalyst for local socio-economic development, the LRP should provide opportunities for inputs from government, NGOs, community-based organisations, donors and the private sector where appropriate. Such inputs are likely to be most efficiently utilised if it is focused around specific pilot projects or development initiatives. While Sovereign should not become a “surrogate government,” it should at least ensure that appropriate external agencies are involved to address relevant sustainability and viability issues, build capacity and provide solutions where required. Buy-in from the appropriate government departments at the district from an early stage of LRP design is essential to ensure that selected projects receive the required support. Institutional arrangements should also provide mechanisms for recording and assessing the effectiveness of development interventions, and for using the experience and insight gained from such assessments to inform the design and execution of future projects.

### 8.1.4 Pre-defined Income Targets

As mentioned earlier, one of the primary objectives of the LRP is to ensure that relocated households are able to pay for any additional living expenses they incurred or are incurring at their new homes. This requirement is fundamental to the objective that no-one should be worse-off after resettlement. It will, therefore, be necessary to determine which expenses people incurred at their resettlement destinations. Examples of expenses include:

- Increased transport costs (for example, where the resettlement site is further away from public services or household members’ places of work than their current place of residence); and

- Annual or monthly rent payments to landlords.

The difference between pre- and post-resettlement expenses would constitute the “income gap” that has to be filled by livelihood restoration projects. In other words, it would constitute the *minimum income* that a household needs to derive from the LRP in order to ensure that it is not worse-off financially after resettlement. The nature and magnitude of the income gap would to a large extent depend on the type and location of the resettlement site, and is likely to differ from one household to the next.
8.1.5 Pre-Defined Time Period

It will be necessary to decide beforehand on the length of time for which Sovereign will be actively involved in implementation and support of the LRP. This time period will be decided in consultation with Sovereign and the RWG, after which this timeframe would have to be clearly and consistently communicated to all relevant parties, not only at the outset of LRP implementation, but also at frequent intervals thereafter. It is possible that circumstances may arise that prevent some LRP projects from achieving a sufficient level of success within the set timeframes. In such cases, the timeframe for Sovereign’s withdrawal of support should be reconsidered. However, without a clear exit strategy and predefined “sunset clause,” it is unlikely that the objective of ultimate independence from Sovereign’s input and support will be achieved.

8.1.6 Transitional Support

International best-practice standards require that suitable support be provided for resettled households during the time required for livelihood restoration activities to gain momentum, penetrate markets and generate sufficient revenue to cover the “income gap” referred to above. The types of transitional support that could be required, as well as its duration, will depend on the resettlement destinations, the degree of vulnerability of individual households and the selected livelihood restoration projects.

8.1.7 Monitoring and Evaluation

A monitoring and evaluation (M&E) system and programme, similar to that described in Chapter 13, would have to be implemented to ensure that the LRP is achieving its intended objectives and that households are reaping the envisaged benefits. This M&E system would form part of a larger programme to monitor RAP implementation and the impacts on host communities.

In particular, the M&E programme will track progress and success with the implementation of livelihood restoration projects and the well-being of vulnerable households. Monitoring will be linked to the socio-economic household survey undertaken for the development of the RAP, which provides the post-resettlement baseline socio-economic indicators on households.

8.2 Socio-economic Background to this LRP

The surveyed population represents a fairly youthful population, with females outnumbering males (52% female versus 48% male). The narrowing of the distribution amongst males in the 20-34 age brackets, suggests a net out-migration of young men in search of economic opportunities elsewhere. The average household size is between four and five members; 55% of households were headed by females.

The findings of the socio-economic survey indicated overall education and skills levels are low. While school attendance is relatively high amongst those of school going age (80%), nearly 70% of adults did not complete primary school. Only 3% completed secondary schooling and very little have standard employable skills. Only 1% of household members were involved in salaried (formal) employment.
These results indicate that skills required for household members to meaningfully participate in livelihood restoration projects – whether these involve employment at the Project, or some other form of income generation projects – are in short supply. The LRP would, therefore, have to include an investment in capacity building, training and skills transfer to minimise the risk that it would fail.

Most households indicated that they do not have an alternative home. Majority of households indicated that they currently have access to arable land which they use. Most households reported would generally pay for the land that they currently occupy/use. Households who did not have access to land at the time of the survey, reported lack of finances to rent land, or scarcity of agricultural land as their main obstacles.

Almost 70% of surveyed households reported that they have some form of cash income, with most households mainly relying on cash-generating, rather than subsistence activities for their livelihoods. However, despite the importance of a cash-based economy for households, subsistence agriculture is still an important means of survival for many households. A considerable number of households described themselves as being primarily reliant on subsistence activities, although they still indicated that they do have some form of cash income, primarily through the sale of surplus agricultural produce.

It is expected that most households rely on two or more types of livelihoods. Farming and the sale of crops are some of the most common primary and secondary household livelihood strategies, and these are also some of the most frequent occupations among individuals aged 20 years and older. In terms of reported household expenditure, food items are by far the most common and important expenditure item, followed by medical expenses and hygiene.

The survey results show that many households have some experience in agriculture. This experience may qualify the relevant households to partake in agriculturally-based livelihood restoration if they are willing to do so.

Indicators of poverty and vulnerability investigated as part of the household survey included food security and money shortages. Almost half of all households indicated that they suffered food shortages for a substantial period during the year prior to the socio-economic survey. Insufficient financial resources (which either prevent households from buying or growing food, or force them to sell domestically-grown food to secure cash), are the most frequently cited reason for food insecurity.

The abovementioned findings suggest that livelihood restoration initiatives should include both measures to improve food security for the affected households and enable households to participate in income (cash) generating activities. Against this background the proposed livelihood packages for the Project are discussed in the following sub-section.

Sovereign could also consider the establishment of a registered multipurpose ‘Community Cooperative’ or similar structure to promote business and agricultural development as part of the LRP. Sovereign would then contribute to the cooperative through initial financial support and buying products and services provided by the Cooperative. The Cooperative will assist in structuring the
participation of affected people and could include various sub-co-operatives to promote projects and/or enterprises such as those mentioned below. In addition, the Cooperative could serve as a channel for providing training.

Where possible, the LRP should capitalise on synergies with other government or private sector development projects currently being implemented or planned for the area. The LRP should involve local leadership structures and village development committees.

8.3 Proposed Livelihood Restoration Packages

In view of the above, three proposed livelihood restoration packages have been defined, with the intention that each resettlement-affected household would be eligible to choose one of these packages. These packages are the following:

- Agriculture enhancement;
- Employment on the Project; and
- Training on non-farming income-generating activities, and related business support (such as small, medium and micro enterprise development).

Each of these packages is described in greater detail below.

8.3.1 Agriculture Enhancement Package

The following steps could be undertaken as part of the agricultural enhancement package:

- Provision of training on improved agricultural techniques;
- Support with the purchase of agricultural equipment, fertilisers and improved seeds;
- Extension services and related monitoring for a set period; and
- Training and extension services will be delivered by an experienced organisation with permanent presence in the area (if possible).

It is proposed that Sovereign consider the feasibility of acquiring agricultural land (through negotiations with the relevant traditional authorities) for the development of one or more agricultural projects to be sponsored by the Project. The agricultural package will apply to households who select this option. Sovereign will be responsible for clearing the acquired land.

These projects could also be expanded in due course to promote community-based development projects as part of Sovereign’s CSI or similar initiatives. Such projects could include the cultivation of vegetables and applicable cash crops, the establishment of fish farms/ponds, nursery (including medicinal plants), as well as semi-commercial poultry projects.

It is recognised that suitable agricultural land for the implementation of such projects may be difficult to obtain. However, Sovereign could consult the District Council, TAs and nearest administrative office (for land earmarked for ‘urban agriculture’) to assist in this regard.
8.3.2 Employment Package

Employment opportunities with the Project that will be allocated to affected members (who are suitable for employment on the Project) should be identified by Project, but could include security positions, maintenance at construction camps, or catering/laundry services offered at Project facilities. This package will include training appropriate to the position for which the person is recruited. The employment package should distinguish between construction and operation phase employment opportunities respectively.

This option should also be made available to vulnerable households. Additional training may be required that will enable selected vulnerable people to gain employment on the Project.

8.3.3 Income Generation/Enterprise Development Package

This package should include the following basic elements:

- In consultation with the household members, identification of one activity from a list of feasible non-farming income-generating activities;
- Technical and management training in the selected activity;
- Financial support in the purchase of equipment related with this activity;
- Technical support in the identification of offset markets and development of a viable business plan; and
- Monitoring and follow-up technical assistance for a set period.

8.4 Beneficiary Selection

The following procedure could be adopted for allocation livelihood restoration packages to resettlement-affected households:

- The need for livelihood restoration should be assessed on a case-by-case basis, based on current income, standards of living and the extent of displacement.
- Each household found to be in need of livelihood restoration should be allowed to choose one of the above packages. It is expected that the majority of households would prefer employment. However, the number of positions potentially offered is limited by the Project’s requirements. Prioritisation criteria could therefore be developed and consulted upon with the CRM to determine which households would be eligible. Such selection criteria would include whether the recipient has the required skills and physical ability to perform the tasks entailed by the available positions.

8.5 Finalisation of the Livelihood Restoration Plan

Once general acceptance of LRP objectives, strategies and priorities have been achieved, a detailed implementation plan must be developed that comprises the following:
• Specific activities to be undertaken;
• Timeframes and dependencies of activities;
• Responsible parties;
• Means of verifying whether activities have been undertaken; and
• Envisaged outcomes of each activity.
9. Consultation and Participation

Consultation and communication are indispensable components of RAP development and implementation, and are also a requirement of both Malawian legislation and the IFC’s PS 5. The latter requires continuous, transparent and sincere communication between the Project, and resettlement-affected parties, as well as other stakeholders involved in the planning and implementation process.

Sovereign has, and will continue to, engage with affected households and host communities through a structured consultation process. This section describes the consultation activities undertaken to date for development of the RAP. Disclosure of information and the participation of affected parties will continue during the planning, implementation, monitoring and evaluation of compensation payments, physical resettlement and livelihood restoration activities. This will assist in achieving outcomes that are consistent with the requirements of the RAP.

9.1 Stakeholder Model Engagement Principles and Objectives

Engagement undertaken as part of resettlement planning and implementation will be guided by the Project stakeholder engagement plan (SEP) developed as part of the ESIA, which is structured to support thorough planning, preparation, action and evaluation of every engagement activity around the Project’s engagement principles. The process is intended to be a dynamic and ongoing cycle that supports an all-encompassing approach to engagement that will, as the resettlement process progresses and the Project unfolds, build an evidence based platform for continuous improvement.

Sovereign is committed to openness, dialogue and engagement as they view long-term, transparent relationships with stakeholders across all levels as essential to their business. The Project is further committed to information sharing, consultation and dialogue prior to any high-impact decisions being made. In achieving these commitments, Sovereign will subscribe to the following engagement principles during planning and implementation of the resettlement process. Resettlement consultations with the Project-affected land users, households and communities should aim to:

- Provide information about the RAP objectives, processes and intended outcomes
- Establish communication structures and procedures required for the RAP;
- Solicit opinions and suggestions with regard to the development and implementation of the RAP from government, traditional authorities and Project affected people;
- Manage expectations and misconceptions with regard to the outcomes of the RAP and identify and address potential conflicts and/or risks that may arise;
- Negotiate and agree on RAP entitlements and compensation measures for inclusion in the RAP;
- Address RAP-related issues such as selection of a relocation site, replacement house designs and livelihood restoration initiatives; and Investigate opportunities for collaborative effort and
partnerships with government, business and affected parties for the development of livelihood restoration projects.

9.2  Consultation Structure and Process

Not all stakeholders require the same level of interaction or depth of information. It is therefore necessary to define the level of effort that is required from Project’s side with each stakeholder group based on their level of interest and ability to influence the successful completion of the resettlement process. The following subsections identify RAP stakeholders as well as outline the Project’s consultation and engagement structures for resettlement planning and implementation.

9.2.1  Stakeholder Identification

The identification of stakeholders for this Project followed the procedures outlined in IFC PS 1 which requires the Proponent to identify the range of stakeholders that are directly or indirectly affected by the Project (IFC, 2012). The approach for systematically identifying stakeholders groups was guided by the following criteria:

- Groups or individuals or on whom the Project proponent will depend in one way or another in order to operate;
- Groups or individuals to whom the Project proponent has, or in the future may have, legal, commercial, operational or ethical and moral responsibilities;
- Groups or individuals who will need immediate attention from the proponent with regard to social, environmental and RAP issues associated with the Project;
- Groups or individuals who can have impact on the Project with regard to strategic planning and operational decision making; and
- Groups and individuals whose views can lead to a new understanding of the situation and the identification of opportunities for action that may not otherwise occur.

The following stakeholders were identified to have an interest in the RAP process:

- Individual owners of affected assets;
- Traditional and Village Authority (chiefs, group village headmen and village headmen of PAP host communities);
- Office of the Regional Commissioner;
- Office of the Lilongwe DC (including the Planning and Development Department);
- National Department of Lands and Valuation (Ministry of Lands);
- National Department of Agriculture (potential involvement in livelihood restoration projects);
- National Department of Local Government and Rural Development;
• Regional/District Planning Officer and Lands Officer;
• Area Development Committees;
• Village Development Committees;
• Lilongwe Town Council (in particular the Town Planning Department);
• Relevant ward councillors: main host communities;
• District and/or local NGOs and Community Based Organisations, e.g. Friends of Malingunde;
• Sovereign

9.2.2 Stakeholder Engagement Plan

A SEP to be implemented over the life of the Project will be developed and will take into consideration stakeholder engagement activities undertaken to date (see Section 9.2.5). The Plan’s design will promote appropriate and effective engagement with both external and internal stakeholders during all phases of Project development, including the RAP. The SEP will include an Implementation Plan which will (a) set out the operational aspects of the SEP process and (b) identify the enablers required to ensure that the SEP can be implemented. The SEP is an evolving document which will be updated continuously throughout the life of the Project, with issues identified during the stakeholder engagement process. The objectives of the SEP will be to:

• Build on an understanding of previous stakeholder engagement activities undertaken in the Project area;
• Identify the stakeholders, concerns and interests to engage;
• Clarify the vision and objectives for engagement with stakeholders;
• Provide an engagement plan and implementation schedule; and
• Provide a grievance management procedure.

9.2.3 Stakeholder Engagement Structure: Resettlement Working Group

International best-practice standards require that displaced persons should be provided with the opportunity to actively participate in the planning and implementation of the RAP. The RAP must therefore include an engagement procedure and mechanism for consultation with, and involvement of, resettlement affected people and communities.

The RWG would constitute the primary forum for all resettlement-related communication and decision-making. The RWG is constituted as an advisory panel and its recommendations are not binding on Sovereign. However, recommendations of the RWG are duly recorded and become a matter of public record. The Terms of Reference for the RWG is outlined below.
9.2.3.1 Selection Criteria

The following selection criteria should apply in the appointment of RWG members:

- Nominations to serve on the RWG should be based on proven community support and respect for the nominees, with endorsement by the community leadership, where applicable;
- Nominees must have the required capabilities and skills to effectively represent their individual constituencies through informed and meaningful contributions to the RWG;
- The RWG should include representatives from town/community structures, as well as government structures that will be involved in decision making on land acquisition for livelihood restoration projects;
- The composition of the RWG must be gender- and age sensitive and should include representatives from organised women’s groups and youth structures; and
- Where feasible, the RWG should include representatives from civil society.

9.2.3.2 Role and Functions

The RWG advises the Project on the orderly and equitable resettlement and compensation activities, and it has the following overarching responsibilities:

- Serve as primary communication channel between the Project and affected parties;
- Negotiate fair and just compensation for affected individuals, households, groups and communities through the formulation of sound eligibility criteria and entitlements;
- Assist the Project with the identification of vulnerable groups and the development of livelihood restoration projects;
- Approve and support compensation measures contained in the RAP and disseminate information on compensation procedures;
- Ensure that eligible parties receive the compensation and assistance to which they are entitled in accordance with the provisions of the RAP;
- Serve as a grievance channel for affected parties and resolve/refer grievances at the appropriate decision-making level;
- Coordinate field-level implementation of compensation activities;
- Alert project management of problems and community responses with regard to RAP implementation;
- Address in-field implementation issues concerning compensation activities/schedules and formulate practical solutions to deal with outstanding issues; and
- Monitor progress of compensation and livelihood restoration activities.
9.2.3.3 Membership

It is proposed that the RWG include duly appointed representatives of the following institutions and groups (to be confirmed):

Table 9-1: Proposed Composition of the Resettlement Working Group

<table>
<thead>
<tr>
<th>Institution</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign</td>
<td>RAP manager (vice chair &amp; secretariat) RAP implementing agent (if not Sovereign) RAP Community Liaison Officer</td>
</tr>
<tr>
<td>Government representatives</td>
<td>Ordinary members</td>
</tr>
<tr>
<td>-Department of Lands</td>
<td></td>
</tr>
<tr>
<td>-Department of Agriculture</td>
<td></td>
</tr>
<tr>
<td>-Office of the DC</td>
<td></td>
</tr>
<tr>
<td>-District Planning Officer</td>
<td></td>
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<tr>
<td>- Lilongwe Town Council</td>
<td></td>
</tr>
<tr>
<td>Representatives of host TAs and village leadership of main host villages</td>
<td>Ordinary members</td>
</tr>
<tr>
<td>Recognised representatives of directly affected people</td>
<td>Ordinary members</td>
</tr>
<tr>
<td>Other: Local community structures who could be involved in livelihood restoration projects (e.g. Community Development Committees, Women’s groups)</td>
<td>Ordinary members</td>
</tr>
<tr>
<td>Other (e.g. NGOs): e.g. Friends of Malingunde</td>
<td>Limited to NGOs that will be involved in RAP and LRP implementation</td>
</tr>
</tbody>
</table>

9.2.3.4 Specific Responsibilities

The specific responsibilities of the represented structures are outlined below:

- **The Resettlement Working Group:**
  - Meet regularly to discuss and resettlement planning and implementation and related matters;
  - Accurately represent the views of affected individuals, households and institutions they represent on the RWG;
  - Inform these individuals, households and institutions of the activities and decisions of the RWG in a timely and accurate manner;
  - Debate the procedures, entitlements and recommendations that will be incorporated in the RAP;
  - Facilitate negotiations and sign-off of individual compensation packages;
  - Facilitate public disclosure of the RAP;
  - Monitor RAP implementation in general and progress made with the re-establishment of vulnerable groups in particular; and
  - Resolve compensation disputes in an impartial manner.

- **Government Representatives:**
- Ensure that livelihood restoration activities are aligned with government planning;
- Communicate progress with RAP activities to regional and where necessary national government; and
- Assist with grievance redress of RAP related issues in its area of jurisdiction.

**District Representatives:**
- Communicate progress with RAP implementation to local and traditional authorities;
- Communicate input from the traditional authorities to the RWG and the Project;
- Ensure representation of women and youth groups on the RWG;
- Ensure that the nominated representatives attend RWG meetings; and
- Assist with grievance redress of RAP related issues in its area of jurisdiction.

**TA and Village Representatives:**
- Communicate progress with RAP implementation to town council and host villages;
- Communicate input from the local authorities to the RWG and the Project; and
- Assist with grievance redress of RAP related issues in its area of jurisdiction.

**Sovereign/RAP Implementing Agency:**
- Act as a chair and secretariat for RWG meetings, take minutes and formally distribute minutes in the appropriate language and on a timely basis;
- Ensure that negotiations and agreements are transparent, equitable and realistic;
- In consultation with RWG members, determine dates, times and locations of future RWG meetings, and distribute an agenda for each meeting to RWG members in the appropriate language and on a timely basis;
- Advise on the feasibility and sustainability of RWG recommendations;
- Report company decisions relating resettlement and compensation to the RWG;
- Ensure that the RWG is informed about RAP implementation schedules; and
- Provide resources and training (capacity building) to RWG members with regard to the efficient functioning of the RWG.

**Community Liaison Officer:**
- Act as the custodian of the RAP grievance procedures;
- Ensure that the RWG accurately represents the needs/opinions of affected people;
- Ensure that the outcome of RWG meetings are adequately disseminated to affected parties and other stakeholders;
- Assist with the identification of compensation packages, in particular those related to livelihood restoration; and
- Facilitate grievance redress of resettlement issues in his/her area of jurisdiction.

9.2.3.5 Meetings
The RWG will meet monthly during finalisation and implementation of the RAP. Thereafter, it will meet regularly until all outstanding resettlement issues have been addressed. Members may invite observers subject to approval by the RWG.

The RWG will be chaired by Sovereign or a senior government representative duly elected and appointed by the RWG. The chairperson so nominated will be available to attend formal RWG meetings. The agenda for RWG meetings will be clearly drafted and at every meeting, the RWG will first review the progress of decisions taken and action points of the previous meeting. Meetings will be held at a suitable and accessible location. The Project will provide transport (or a travel allowance) for bona fide members attending RWG meetings. The Project or RAP implementing agency will act as the secretariat at meetings, and keep and distribute formal minutes of each meeting.

9.2.3.6 Quorum
A quorum requires 60% of RWG members and must include:
- The Chair (or nominated representative);
- A nominated representative of the various categories of members discussed above; and
- RWG secretariat (Sovereign).

9.2.3.7 Recommendations of the RWG
The RWG provides advice and support to the Project in the form of ‘recommendations’. Only those recommendations that are supported by the RWG meeting quorum will be deemed the official ‘Recommendations of the RWG’. These recommendations shall be documented in the meeting’s minutes.

9.2.4 Additional Stakeholder Engagement Mechanisms
A SEP provides an implementation plan for stakeholder engagement during the life of the Project. Below are additional engagement measures that could be implemented to promote transparency regarding livelihood restoration initiatives:
- Public information sharing meetings: Formal public information sharing meetings will be organised to provide stakeholders with updated project information, and an opportunity to raise issues and concerns. Meetings will be open to all.
- Information brochures: Information brochures will be produced and disseminated regularly to communicate relevant information to stakeholders.
• Open days: Open days could be held on a regular basis to provide stakeholders with the opportunity to visit livelihood restoration initiatives. Open days are useful tools to strengthen stakeholder relationships, promote transparency and build confidence and pride amongst beneficiaries.

• Community radio: Community radio could play an important role during RAP implementation to promote transparency and build relationships between internal and external stakeholders.

• Web access: Stakeholders would have access to the Project’s website, which will enable them to forward comments, concerns and questions. The website will provide relevant information on the progress with RAP implementation. The website will also provide the contact details of the persons or departments responsible for grievance redress.

9.2.5 Engagement of Vulnerable Persons and Households

As mentioned earlier, vulnerable persons are often not able to make their voices heard, either because of constraints in their own capacity and resources, or because of their isolation/exclusion from existing social structures and networks. Because of this, targeted measures are required during resettlement-related stakeholder engagement to ensure that they have access to information about resettlement-related activities and plans that affect them, and that they are given the opportunity to voice their concerns and preferences.

• If there are minority language groups present among PAPs, ensuring that the resettlement planning and implementation teams include persons who are able to speak these languages;

• Assisting with transport of vulnerable persons to stakeholder engagement meetings, where required and appropriate;

• During disclosure of socio-economic data collected during surveys, ensuring that potentially sensitive data (e.g. the identity of households belonging to minority groups) is redacted;

• Including, as a standard agenda item in all resettlement-related consultation and meetings, a discussion on any specific measures that may be required to address the needs of vulnerable groups and women; and

• Separate consultation (in the form of individual meetings and/or focus group discussions) with vulnerable persons or groups, or with representatives of vulnerable groups (e.g. local community-based organisations or NGOs working with vulnerable groups).

9.3 Consultation Activities to Date

Stakeholder engagement and meaningful dialogues with potentially affected communities are critical elements in mutually sustainable and successful land acquisition. In Malawi, levels of community distrust of the land acquisition, valuation and compensation process tend to be high and identification of affected people and building of trust relationships can be a long and resource intensive process. As such, the Project team initiated stakeholder engagement as early as possible with government
authorities at national and district level to build relationships, pursue their support and participation in the land acquisition process. To date (March 2017), the stakeholder engagement process for the Project has involved:

- Engagement activities carried out under the ESIA scoping phase;
- Engagement activities related to the socio-economic and asset surveys

Table 9 below presents a summary of stakeholder meetings that have been undertaken as part of the SIA and RAP process.

**Table 9-2: Summary of stakeholder meetings**

<table>
<thead>
<tr>
<th>Date</th>
<th>Stakeholder</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 April 2018</td>
<td>Malingunde Primary School Mphuzi Primary School Ndumila Primary School</td>
<td>Key informant interview with the teaching head and teaching staff to understand number of staff and pupils, challenges facing the facility, any support obtained through government agencies and/or NGOs.</td>
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<tr>
<td>24 April 2018</td>
<td>Lilongwe District Council (LDC) – District Land Officer LDC – Environmental District Officer Ministry of Mines Ministry of Lands, Department of Land Surveys Friends of Malingunde (FoM)</td>
<td>Joint meeting with national and district level representatives which focus primarily on resettlement-related issues. Key informant interview with FoM to understand their role and main activities related to working with and helping the local community and gaining an understanding of key socio-economic issues in the Project AoI.</td>
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<tr>
<td></td>
<td>Department of Fisheries</td>
<td>Key informant interview to understand the level of artisanal fishing in the Kamuzu Dam, impacts to breeding grounds resulting from fishing and agricultural practices, over-fishing, and concerns and potential issues related to fisheries, stemming from the project.</td>
</tr>
<tr>
<td>25 April 2018</td>
<td>Malingunde Health Centre</td>
<td>Key informant interview with medical staff to understand the available health infrastructure, resources and support, as well as key health issues in the Project AoI.</td>
</tr>
<tr>
<td></td>
<td>LDC – District Land Officer/ Environmental District Officer and Traditional Authority (TA) Masumbakunda Representatives from Chitsulo VDC, Ndumila VDC and Chimuendo VDC</td>
<td>Joint key informant meeting with the Area Development Committee (ADC) and the Village Development Committee (VDC) for Chitsulo, Ndumila and Chimuendo. Key information gathered included: the structure and role of the VDC, main sources of livelihood, immigration to and from the Project AoI, and their experience with other large development projects in the area (such as the dam development).</td>
</tr>
<tr>
<td>26 April 2018</td>
<td>Norwegian Church Aid (NCA)</td>
<td>Key informant interview with NCA to understand its role and activity in Malawi. Additional socio-economic information on the Project AoI was also collected.</td>
</tr>
<tr>
<td>Date</td>
<td>Stakeholder</td>
<td>Activity</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>27 April 18</td>
<td>Village Heads of Kumalindi Village I, Kumalindi Village II, Kumalindi Village III, Acting Village Head (VH) of Kubale Village</td>
<td>Key informant interviews with village heads to understand local governance structures, history of the village, number of households and typical household size, key sources of livelihood, main health issues in the village, process of land allocation, existing cultural heritage assets, etc.</td>
</tr>
<tr>
<td>27 April 18</td>
<td>Kachule VH, Mbanga VH</td>
<td>Key informant interviews with village heads to understand local governance structures, history of the village, number of households and typical household size, key sources of livelihood, main health issues in the village, process of land allocation, existing cultural heritage assets, etc.</td>
</tr>
<tr>
<td>28 April 18</td>
<td>Kubale Village, Kumalindi/Chitsulo Village, Ndumila Village</td>
<td>FGD with mixed group of residents to collect socio-economic information including daily routines, role of men and women within a household, sources of livelihood and alternative skills (not agriculture related), price of agricultural products (selling price), average monthly income, key household costs, distance to relevant socio-economic infrastructure, the role of Health Surveillance Assistants (HSAs) in the area, use of traditional medicines, etc.</td>
</tr>
<tr>
<td>30 April 18</td>
<td>Malingunde Trading Centre (TC) Village Head</td>
<td>Key informant interview with VH to understand local governance structures, history of the village, number of households and typical household size, key sources of livelihood, main health issues in the village, process of land allocation, existing cultural heritage assets, etc.</td>
</tr>
<tr>
<td>1 May 2018</td>
<td>Malingunde TC, Mbanga Village</td>
<td>FGD with mixed group of residents to collect socio-economic information including daily routines, role of men and women within a household, sources of livelihood and alternative skills (not agriculture related), price of agricultural products (selling price), average monthly income, key household costs, distance to relevant socio-economic infrastructure, the role of HSAs in the area, use of traditional medicines, etc.</td>
</tr>
<tr>
<td>1 May 2018</td>
<td>Kachule Village</td>
<td>FGD with mixed group of residents to collect socio-economic information including daily routines, role of men and women within a household, sources of livelihood and alternative skills (not agriculture related), price of agricultural products (selling price), average monthly income, key household costs, distance to relevant socio-economic infrastructure, the role of HSAs in the area, use of traditional medicines, etc.</td>
</tr>
<tr>
<td>1 May 2018</td>
<td>Malingunde TC market, Likuni market (interview with motorbike drivers and minibuses drivers)</td>
<td>Visit around the TC with village heads to understand local governance structures, history of the village, number of households and typical household size, key sources of livelihood, main health issues in the village, process of land allocation, existing cultural heritage</td>
</tr>
</tbody>
</table>
### Date | Stakeholder | Activity
--- | --- | ---
 | 2 May 2018 | Catholic Commission for Justice and Peace (CCJP) – Extractives and Governance Programme Manager Oxfam - Women’s Rights Programme Manager Representative of Ministry of Health | Held informal discussions with motorbike taxi drivers and mini-bus drivers in Chigwilizano (near Likuni), to understand how and where they operate, peak hours, key issues in the area (such as traffic accidents, local competition, alternative driving routes, etc.).
 | 2 May 2018 | Catholic Commission for Justice and Peace (CCJP) – Extractives and Governance Programme Manager Oxfam - Women’s Rights Programme Manager Representative of Ministry of Health | Key informant interviews with NGO and ministry representatives to understand their roles and activities in Malawi and the Project Area. Additional socio-economic information on the Project AoI was also collected, including information on topics such as; gender and health.
 | 3 May 2018 | Village heads of Chackwindima and surrounding villages | Key informant interviews with heads of nine villages to understand local governance structures, history of the village, number of households and typical household size, key sources of livelihood, main health issues in the village, process of land allocation, existing cultural heritage assets, etc.
 | 3 May 2018 | Chackwindima Village | FGD with mixed group of residents to collect socio-economic information including daily routines, role of men and women within a household, sources of livelihood and alternative skills (not agriculture related), price of agricultural products (selling price), average monthly income, key household costs, distance to relevant socio-economic infrastructure, the role of HSAs in the area, use of traditional medicines, etc.

### 9.4 Consultations Required for RAP Finalisation

Follow-up consultation with project-affected households and communities will be required through the RWG to:

- Provide information about the RAP objectives, processes and intended outcomes;
- Establish communication structures/procedures required for RAP implementation;
- Solicit opinions and suggestions with regard to the content and implementation of the RAP from government, traditional authorities and PAPs;
- On-going consultations to manage expectations and misconceptions with regard to the outcomes of the RAP;
- Negotiate RAP entitlements for inclusion in the RAP;
- Consult affected parties with regard to potential livelihood restoration initiatives and investigate opportunities for collaborative effort in livelihood restoration projects;
- Agreement and implementation of a formal grievance procedure;
• Agreement and sign-off on individual entitlements;

• Agreement on livelihood restoration projects, in consultation with affected households and communities, as well as host communities (where applicable);

• Disclosure of the RAP to relevant authorities, affected parties and communities; an

9.5 Future Land Acquisition and Resettlement Implementation Consultation Activities

Future land acquisition and resettlement consultation activities will be undertaken in three consecutive phases, namely:

• Pre-implementation (planning) phase;

• RAP implementation phase; and

• Post-implementation phase (during the Project’s construction and operation phase).

The activities that form part of each of these phases have been summarised in Table 9-3 to Table 9-5 below.
Table 9-3: Preliminary Consultation Activities for the Pre-Implementation Phase

<table>
<thead>
<tr>
<th>No</th>
<th>Tasks</th>
<th>SE Activities</th>
<th>Stakeholders</th>
<th>Medium</th>
</tr>
</thead>
</table>
| 1  | Preparation and execution of asset surveys Issue notification to acquire land | • Liaison with District and TA officials on timing, support with organising meetings with communities, identification of PAPs, land designations, and local logistics.  
• Scheduling of stakeholder sensitization, survey teams, local support for surveys. | • District Commissioners.  
• Relevant Village Officers or representatives.  
• Internal: resettlement teams, CLOs. | • District meetings.  
• Written and/or telephonic communication on meeting schedules.  
• Map.  
• Notice / pamphlet / poster. |
| 2  | Sensitisation meetings:  
• Government requirement.  
• Cut-off date  
• Introduce the Project to PACs, announce resettlement and provide detail on the resettlement process (e.g. types of activities, project teams, timeframes, etc.) | • Arrange village meetings, according to a meeting schedule.  
• Develop printed materials on the Project.  
• Invitation to PACs will include information on the intention of the meeting, whose attendance is required, who will be facilitating the meetings, and when and where the meetings will be held. | • PACs.  
• District Commissioner  
• Internal: resettlement teams, CLOs. | • Village meetings.  
• Posters/notice boards.  
• Pamphlets.  
• Radio announcements. |
| 3  | Establish RWG | • Develop printed material on the roles and responsibilities of RWGs.  
• Discuss targeted measures required to involve vulnerable groups. | • PACs.  
• Village leadership.  
• District representation.  
• Vulnerable groups.  
• Internal: resettlement teams, CLOs. | • Focus group meetings.  
• Posters/notice boards.  
• Pamphlets.  
• Terms of reference for RWGs, to be signed by members. |
| 4  | Regular RWG meetings around resettlement planning, including topics around compensation and livelihood restoration | • Arrange RWGs meetings at regular intervals (every 4-6 weeks but can increase as resettlement processes ramps up).  
• Provide updates on activities completed.  
• Discuss upcoming activities.  
• Solicit feedback and adapt plans accordingly. | • RWGs.  
• Internal: resettlement teams, CLOs. | • Focus group meetings every 4-6 weeks.  
• Capacity building initiatives. |
| 5  | Regular feedback meetings with district and regional authorities | • Arrange meetings with regional and district authorities at 4-6 week intervals  
• Provide updates on activities completed  
• Discuss upcoming activities  
• Seek guidance on regulatory requirements  
• Provide feedback on grievances received and resolved  
• Solicit feedback and adapt plans accordingly | • Relevant regional authorities.  
• Relevant district. authorities.  
• Internal: resettlement teams, CLOs. | • Presentations.  
• Grievance records.  
• Capacity building initiatives. |
| 6  | Community meetings to disclose the grievance | • Develop printed material on the process, including how to | • PAPs. | • Posters/notice boards. |
Table 9-4: Preliminary Consultation Activities for the RAP Implementation Phase

<table>
<thead>
<tr>
<th>No</th>
<th>Tasks</th>
<th>SE Activities</th>
<th>Stakeholders</th>
<th>Medium</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Entitlement briefings and agreements with PAPs and PACs</td>
<td>• Conduct entitlement briefings per PAC and with individual affected households.</td>
<td>• PACs.</td>
<td>• Posters/notice boards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sign agreements with households and village representatives on compensations options selected.</td>
<td>• PAPs.</td>
<td>• Meetings</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Village leadership.</td>
<td>• Pamphlets.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Internal: resettlement teams, CLOs.</td>
<td>• Grievance records.</td>
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<td></td>
<td></td>
<td>• Capacity building initiatives.</td>
</tr>
<tr>
<td>2</td>
<td>Regular RWG meetings around resettlement implementation, including topics around livelihood restoration.</td>
<td>• Arrange RWGs meetings at regular intervals.</td>
<td>• RWGs.</td>
<td>• Focus group meetings every 4-6 weeks.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Provide updates on activities completed.</td>
<td></td>
<td>• Capacity building initiatives.</td>
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<td>• Discuss upcoming activities.</td>
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<td>• Solicit feedback and adapt plans. Accordingly.</td>
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<td></td>
<td></td>
<td>• At some point, take RWG members on a tour of the affected area.</td>
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<td></td>
<td></td>
<td>• Ongoing resolutions of grievances.</td>
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<td></td>
</tr>
<tr>
<td>No</td>
<td>Tasks</td>
<td>SE Activities</td>
<td>Stakeholders</td>
<td>Medium</td>
</tr>
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<td>----</td>
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<td>---------------------------------------------</td>
</tr>
</tbody>
</table>
| 3  | Regular feedback meetings with district and regional authorities.    | • Arrange meetings with all affected regional and district authorities at 4-6 week intervals.  
                                              | • Provide updates on activities completed.  
                                              | • Discuss upcoming activities.  
                                              | • Seek guidance on regulatory requirements.  
                                              | • Provide feedback on grievances resolved and addressed accordingly.    | • Relevant regional authorities.  
                                              | • Relevant district authorities.  
                                              | • Internal: resettlement teams, CLOs.    | • Presentations.  
                                              |                                                | • Grievance records.  
                                              |                                                | • Capacity building initiatives. |
| 4  | Undertake feasibility studies for proposed livelihood restoration projects. | • Arrange meetings with various groups per meeting schedule.  
                                              | • Develop notices to provide background information on the studies to be undertaken. | • PACs  
                                              | • PAPs  
                                              | • District Commissioner  
                                              | • RWGs  
                                              | • Internal: resettlement team, CLOs    | • Posters/notice boards.  
                                              |                                                | • Pamphlets.  
                                              |                                                | • Focus group meetings.  
                                              |                                                | • Letter to district authority. |
| 5  | Issue notice to vacate affected properties.                         | • Develop a letter to be issued by the Project and/or relevant authorities informing them of the notice to vacate.  
                                              | • Develop posters/notices/pamphlets to place in PACs containing the same information as the letter. | • PAPs.  
                                              | • District Commissioner.  
                                              | • Regional Administrative Secretary.  
                                              | • RWGs.  
                                              | • Relevant ministries.  
                                              | • Relevant NGOs and Community Based Organisation (CBOs).    | • Letter.  
                                              |                                                | • Map.  
                                              |                                                | • Notice / pamphlet / poster. |
| 6  | Physical relocation.                                                 | • CLOs and land team must be present in PACs during this time.  
                                              | • Team should be available to address requests for information, clarification and addressing grievances. | • PACs.  
                                              | • PAPs.  
                                              | • District Commissioner.  
                                              | • RWGs.  
                                              |                                                | • CLOs present in communities.  
                                              |                                                | • Suggestion boxes. |
| 7  | Finalise sign-off on property transfer documentation.                | • Set up a meeting schedule and arrange meetings with various PAPs and relevant authorities.  
                                              |                                                | • PAPs.  
                                              | • District Commissioner.  
                                              | • Relevant ministry officials.  
                                              |                                                | • Letters.  
                                              |                                                | • CLOs.  
                                              |                                                | • Focus group meetings.  
                                              |                                                | • Grievance records. |
| 8  | Implement LRP strategies.                                            | • This will be subject to a separate SEP as part of the LRP.  
                                              |                                                | • PACs.  
                                              | • PAPs.  
                                              |                                                | • Implemented through a separate LRP. |
Table 9-5: Preliminary Consultation Activities for the Post-RAP Implementation Phase

<table>
<thead>
<tr>
<th>No</th>
<th>Tasks</th>
<th>SE Activities</th>
<th>Stakeholders</th>
<th>Medium</th>
</tr>
</thead>
</table>
| 1  | Monitoring performance of RAP implementation. | • Provide periodic feedback using a structured report to authorities and NGOs.  
• Develop monitoring database and align with social performance monitoring conducted as part of Environmental and Social Management and Monitoring Plan (ESMMP)  
Monitoring during this phase will be guided by the grievance mechanism, suggestion boxes and the RWG who will be able to provide information on how PACs and PAPs experience the implementation of the SE process. | • PAPs.  
• PACs.  
• NGOs. | • Regular focus group meetings with RWG to ensure information provided is considered as part of the monitoring process.  
• Monitoring database to track progress against set criteria and objectives. |
| 2  | Monitor vulnerable groups’ ability to adapt to their new environment. | • Establish and manage feedback structures and incorporate and execute as part of ESMMP.  
The IFC provides guidelines for monitoring vulnerable groups, which include identifying key individuals and groups within the vulnerable persons group, ensure rightful representation and creating a safe environment for discussions to take place. | Vulnerable groups. | • Focus group meetings.  
• CLOs.  
• Suggestion boxes.  
• Grievance records.  
• Capacity building initiatives. |
| 3  | Ongoing consultation with resettled households and host communities. | • Develop a schedule for setting up regular meetings.  
• Determine important aspects to discuss with PACs, NGOs, etc. based on trends observed in the grievances received.  
• Develop printed materials and reports for distribution that provides updates on post-implementation RAP activities | • PACs.  
• PAPs.  
• Regional and district authorities.  
• Relevant NGOs and CBOs. | • Focus group meetings.  
• Posters/notice boards.  
• Pamphlets.  
• CLOs.  
• Grievance records. |
10. Resettlement Sites Selection

As discussed in Chapter 6, the nature of the Project makes it likely that it would, in most cases, be possible to implement in situ relocation – i.e., relocating a homestead or farm to a suitable location in the same village, but outside the Project footprint. The majority of the farmers affected by the Projects are likely to experience a large impact on overall land parcels and therefore would be offered in-kind, rather than cash compensation, thereby increasing the overall replacement land requirements.

This Chapter outlines:

- Criteria for determining the suitability of a potential site;
- Progress that has been made to date in terms of identifying a site that meets these criteria; and
- Actions that are planned in order to finalise the site selection process.

10.1 Criteria for Determining the Suitability of a Resettlement Site

The following criteria will be applied when assessing potential replacement land or relocation sites. It is proposed that this criteria be finalised in consultation with PAPs through the RWG.

- It should be large enough to accommodate the resettled households and their assets, as well as whatever additional public services and infrastructure would need to be established to ensure that the households are able to achieve a standard of living equal to what they had prior to resettlement;
- It should provide easy access to public services and transport networks;
- It should be compatible with any existing District or Village spatial development plans;
- Negative impacts on host communities (communities residing on or around the resettlement sites) should be minimal;
- It should be relatively close to the current location so as to minimise disruption of community members’ access to work, natural resources, etc.;
- The site should be located on land that Sovereign would be able to acquire for households within a relatively short timeframe; and
- Importantly, it should be consistent with the resettlement preferences of the majority of affected households as determined through the RWG.

10.2 Resettlement Site Selection

Potential resettlement sites will be identified with support from Government, Traditional authorities and District Commissioner, through scrutinising relevant land use planning and highlighting land earmarked for residential use in each village. Based on the available residential areas, the RAP study team together with the RWG and village leaders will identify several potential resettlement sites. Those who might be physically relocated will also be consulted directly regarding the location of the site/s.
Subsequently a consolidated list of potential sites will be compiled and visited by the study team and the RWG. A preliminary assessment will be completed on the feasibility of each site based on the defined criteria.

10.3 Steps Required to Finalise Resettlement Site Selection

Once a few potential properties have been identified, the following actions will be undertaken:

- The potential sites will be assessed in terms of the suitability criteria;
- The cost of purchasing the properties would be evaluated in terms of compatibility with the available resettlement budget;
- Host communities will be identified (if there are any) and likely impacts on these host communities assessed;
- The current owners of the properties will be approached by Sovereign to gauge their willingness to sell their properties, and to determine the conditions of sale;
- Based on the outcomes of the aforementioned steps, a “short list” will be compiled of the most promising options. These will then be presented to the RWG to assess whether they would be acceptable.
11. **Organisational Arrangements**

This section describes the organisational structure for implementing the RAP. The proposed RAP organisational structure is illustrated in Figure 11-1. The RAP will be implemented through the coordination of two key institutions, as follows:

- The RAP Steering Committee (RSC), which is responsible for strategic management and direction; and
- The Community Relations Department (CRD), which will implement the procedures and measures outlined in the RAP under the supervision of the Community Relations Manager (CRM).

![Organisation structure for RAP implementation](image)

**Figure 11-1: Organisation structure for RAP implementation**
11.1 RAP Steering Committee

The RSC will be established and chaired by Sovereign. It will be responsible for strategic decision making and guidance related to RAP implementation. In particular the RSC will:

- Ensure that implementation is in accordance with the commitments in the RAP;
- Ensure full participation of affected parties (through the RWG) in RAP activities;
- Ensure appropriate institutional capacity for RAP implementation;
- Ensure that relevant government institutions are informed about the RAP progress;
- Ensure that RAP implementation is monitored and progress evaluated according to set schedules;
- In instances where grievances cannot be resolved at lower levels of decision making, address these in an appropriate manner;
- Establish and chair grievance committees (if required) for resolving complex disputes without resorting to expensive and time-consuming legal actions;
- Ensure that RAP funding is secured and disbursed in line with RAP schedules; and
- Verify that RAP expenditure is accounted for (financial auditing).

The RSC will meet on a quarterly basis until all outstanding RAP issues have been resolved, but at least until the time of the RAP completion audit. It is critical that the agenda for RSC meetings are clearly drafted with inputs from the CRM and RWG. At every meeting, the RSC will review the progress with decisions taken and action points of the previous meeting. The composition of the RSC will include, at a minimum, the following persons/institutions:

- Internal:
  - Sovereign Senior Manager;
  - CRM; and
  - Environmental Manager.

- External:
  - Representatives of the relevant TAs;
  - Representative of the DC;
  - Key government ministries, and
  - Representative of key NGOs (when required).
11.2 Community Relations Department

The CRD will be responsible for the administration, co-ordination and implementation of the RAP and associated livelihood restoration projects. Ultimate responsibility for these functions rests with the CRM. The general responsibilities of the CRD will include the following:

- Planning and implementing RAP consultation processes, including providing regular information on the status of RAP implementation to PAPs and other stakeholders. The CRD will work in close cooperation with the RWG in this regard;
- Ensuring that the execution of additional compensation payments (if applicable) and resettlement support measures are in accordance with the procedures contained in the RAP;
- Undertaking payment of compensation (if applicable) as agreed upon in the RAP;
- Ensuring that RAP livelihood projects are developed, implemented and sustainable, in particular the restoration of livelihoods of vulnerable households;
- Addressing and resolving of resettlement and compensation grievances after seeking advice from RSC and a legal expert (if required);
- Training of CRD staff and RWG members to equip them for their RAP tasks; and
- Monitoring RAP implementation and reporting to the RSC.

At least one community liaison officer (CLO) will be appointed to serve the affected parties and host communities in the project areas. The CLO will function at grass roots level and act as communication channel between the CRD/RWG and project-affected communities. The CLO will be required to have an on-going presence in the affected communities during the implementation of the RAP. He/she will, amongst other things, be responsible for disseminating information relating to RWG decisions to affected parties and provide feedback to CRM and RWG on community responses, preferences and grievances.
12. Grievance Redress and Dispute Resolution

Grievance redress is a critical aspect of project accountability. The Project will establish a Grievance Mechanism and related mechanisms to ensure that affected persons and communities have the opportunity to lodge complaints and concerns regarding resettlement, compensation and livelihood restoration. The Grievance Mechanism proposed in following sections is designed to resolve disputes in an impartial and transparent manner and provide claimants with the assurance that grievances will be resolved timely and satisfactory without cost to the claimant.

The Grievance Mechanism will be institutionalised as an integral part of RAP implementation and monitoring. In addition to the formal Grievance Mechanism, additional mechanisms will include regular community meetings, the appointment of community liaison officers, as well as the placement of suggestion boxes at strategic access points. The Project will be responsible for ensuring that the necessary resources and internal capacity are provided for the effective implementation of the Grievance Mechanism.

A “grievance” for the purposes of this RAP is defined as any concern or complaint that is directly related to physical and/or economic resettlement, compensation and the restoration of livelihoods under the RAP. The Grievance Mechanism does not replace existing legal processes available to affected parties, and will not infringe on complainants’ right to access legal procedures. It will seek to resolve issues promptly and fairly so as to expedite the delivery of entitlements and assistance, without resorting to expensive and time-consuming legal actions.

12.1 Principles

Grievance procedures and mechanisms should be transparent, accountable, accessible and culturally appropriate. Care must be taken to accommodate differences in capacity/expertise of aggrieved parties, and responses must be suited to the situation. The Grievance mechanism is an important mechanism to build sound community relations. The Mechanism will, therefore, adopt the following core principles in order to promote the fairness of its processes and outcomes:

- Legitimate: Procedures and mechanisms are credible and transparent and managed by a suitably independent management structure;
- Accessible: Affected communities are informed about the grievance mechanisms, the location of grievance facilities (access points), and the procedures to be followed;
- Predictable: Processes are structured and consistent, including outcome monitoring;
- Equitable: Claimants have reasonable access to information, advice and assistance to engage in the grievance process on fair and equitable terms;
- Rights-compatible: Processes and outcomes are in accordance with internationally recognised human rights standards;

15 The abovementioned principles were adapted from: Caroline Rees, 2011: Piloting Principles for Effective Company-Stakeholder Grievance Mechanisms: A Report of Lessons Learned. This report was published as an addendum to the report of the Special Representative of the United Nations Secretary-General for Business and Human Rights: A/HRC/17/31/Add.1
• Transparent: Processes and outcomes are transparent, fair and open to scrutiny; and
• Engagement: Grievances are addressed through mediated dialogue to seek agreed solutions.

12.2 Procedures
The Grievance Mechanism will be incorporated into the overall SEP for the Project and will ensure that RAP-specific grievances are addressed accordingly. All non-RAP concerns and complaints will be redirected to the appropriate Sovereign management department, which will attend to these issues in accordance with the Project SEP. The Grievance Mechanism will function, at least, until such time that compensation payments and livelihood restoration measures have been finalised. Reference to the various responsible functionaries is based on the administrative arrangements proposed in Chapter 11.

The Project’s CLOs will have responsibility for addressing all resettlement grievances on a day-to-day basis. The CLOs will receive appropriate training on how to process complaints and ensure confidentiality, when required. Where the CLOs cannot resolve grievances directly, these will be then forwarded to a Community Relations Manager (CRM) or similar function, who will forward unresolved complaints to the Resettlement Steering Committee (RSC), depending on actions required. Where grievances still remain unresolved, the RSC will establish a grievance committee, which will include a representative of the RWG, and may require the involvement of a senior manager in Sovereign. If grievances are still unresolved, the CRM will provide information to the affected party on the mechanisms for addressing complaints via legal redress.

Depending on the nature of unresolved grievances or claims, the RSC may decide to invite members of the relevant government agency or traditional authority to attend the meetings of the grievance committee.

12.3 Process
The following steps will be followed for addressing RAP related grievances and claims:

Step 1: Lodging a Grievance
A formal grievance can be lodged at the Project’s main offices in Lilongwe and/or on site. The complainant will be required to complete a grievance log form with the assistance of CLOs or the CRM, who will then record the grievance in a grievance log file according to the category of grievance/complaint (e.g. late compensation payments).

A grievance can also be lodged by submitting a grievance form or written complaint directly to the RWG. Grievances will be forwarded to the CRM for processing. Grievances received by the RWG, and subsequent actions taken, must be recorded in the RWG minutes.

The CLO/CRM will ensure that any claimant who lacks the capacity and/or skills to access the grievance procedure, receive suitable assistance enabling the claimant to participate in the grievance process. If applicable, the CLO/CRM will engage an interpreter/facilitator to assist with the lodging of
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a complaint. If the nature of the complaint requires the engagement of a female facilitator (for example, if the complaint involves the violation of women’s rights) such a facilitator will be provided.

It may not always be possible or practical to correspond in writing to grievances received. Nevertheless, where possible, claimants must be provided with a copy of their grievance log form. Furthermore, while it may be possible to verbally resolve some grievances, these must still be recorded on the grievance log form for recordkeeping purposes. The CRM should ensure that all claims received by CLOs in the different project areas are duly processed.

Step 2: Acknowledgement

The CLO/CRM will acknowledge receipt of a formal written grievance in writing within seven working days. The letter will specify the name of the person responsible for addressing the grievance and the process that will be followed. The letter will provide a reference number and a probable date for resolving the grievance. If applicable the CLO’s will provide a copy of the log form to the claimant.

Step 3: Investigation

The CLO will consider and prioritise the grievance received. Where applicable, the CLO will take photographs and/or interview any bona fide witnesses. If the CLO is unable to resolve the grievance, he/she will forward the grievance to the CRM. Where possible, grievances will be finalised within 30 days of receipt. The complainant might be contacted during this time to clarify issues.

Step 4: Resolution and Sign-off

Complaints will be dealt with at the lowest effective decision-making level. Once a complaint has been investigated, a letter will be sent to the complainant, explaining the outcome of the investigation and a proposed course of action to resolve the particular grievance. The CLO will contact the complainant in person if required and explain the results of the investigation and proposed course of action. If the complainant is satisfied that the complaint has been resolved, he/she will be required to sign a statement confirming that the complaint has been resolved.

If the complaint has not been resolved through mutual agreement, a re-assessment may be undertaken if new information becomes available in support of the claim/complaint. If the complainant is still not satisfied with the resolution, the grievance will then go into mediation. If applicable, the RSC will monitor the implementation of the resolution and the claimant’s satisfaction with this implementation. The outcome of the negotiations will be reported to the RWG.

Step 5: Mediation

Unresolved grievances will be investigated by an appointed grievance committee, which will include members of Sovereign management. This committee will only meet to resolve problems which cannot be resolved during steps one to four. Sovereign will provide for an independent arbitrator if grievances cannot be resolved internally. The Grievance process is illustrated in the flow diagram below:
STEP 1: Lodge Complaint

STEP 2: Register complaint

STEP 3: Investigation

YES

STEP 4: Dispute resolution

YES

Final resolution

NO

STEP 5 Mediation Committee

Complainant satisfied

NO

Court of Law

YES

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13. Monitoring and Evaluation

A monitoring and evaluation (M&E) system and programme will be established to assess the quality, progress and impact of RAP implementation. In particular, the programme will track progress with physical resettlement, compensation payments, livelihood restoration and the status of vulnerable households. Monitoring will be linked to the socio-economic household and asset surveys undertaken for the development of the RAP.

The monitoring programme will include criteria to assess RAP implementation in terms of both efficiency and effectiveness. A system for data collection will be established, including resources needed to carry out the monitoring. If feasible, RAP implementation will be subject to an external evaluation prior to a completion audit. This audit would take place once critical milestones have been reached, or if monitoring results show that essential corrective actions are necessary.

Sovereign will be responsible for providing the human resources, training, funds and facilities for implementing the monitoring programme, as well as any external evaluations.

13.1 Monitoring Framework

A monitoring framework will be developed to define the scope and methods for monitoring, both in terms of the extent and the significance of adverse impacts and the effectiveness of measures intended to restore and improve the livelihoods and living standards of affected people. A monitoring action plan will be developed which will include activities, completion target dates, progress per reporting period, reasons for delay and corrective actions to be taken. Critical aspects to be incorporated in the monitoring action plan will be the monitoring of (a) livelihood restoration activities, and (b) the status of vulnerable households.

The monitoring framework will provide for:

- Planning for M&E;
- Designing a M&E programme;
- Developing criteria and indicators;
- Developing data collection systems;
- Data collection and analysis;
- Developing corrective action plans;
- Implementing action plans; and
- Monitoring outcomes.

The monitoring programme will include three components as outlined in IFC PS 5:

- Performance monitoring: undertaken *internally* by the CRD;
- Impact monitoring: undertaken by the CRD and an *external agency*; and
• Completion audit: undertaken by an external agency.

13.2 Performance Monitoring
Performance monitoring will largely be an internal management function (in collaboration with the RWG), which will provide the Project with up-to-date information to measure RAP performance and actual progress against milestones. Performance monitoring will include (at a minimum) the following aspects:

• Community consultations implemented and on-going;
• Grievance procedures in place and functioning (claims addressed);
• Transfer of entitlements and compensation payments disbursed:
• RAP implemented in line with RAP principles, procedures and timeframes;
• RAP funding for livelihood restoration is implemented fairly and transparently;
• Progress with income restoration and development activities; and
• Monitoring and evaluation reports submitted.

13.3 Impact Monitoring
Impact monitoring will be on-going during the course of RAP implementation. The purpose of impact monitoring is to:

• Provide the Project with an assessment of the resettlement effects;
• Determine the impact of, and responses to, livelihood restoration activities;
• Monitor the adaptability of households, in particular vulnerable households; and
• Identify adjustments in the implementation of the RAP, and the need for corrective action plans.

An external evaluation will be undertaken at the end of year three of RAP implementation. The CRD and independent external agency will identify the relevant criteria and indicators to be evaluated. These aspects should include (but are not limited to):

• Changes in livelihood strategies and sources of income
• Changes in status of vulnerable households (adaptability)
• Changes in agricultural yield/produce (quantity/quality) and income from farming
• Changes in small business activities/economic activities other than agriculture
• Changes in number of people employed on RAP projects/activities
• Changes in household income and expenditure patterns
• Changes in household structure (size and composition)
• Changes in health patterns/incidence of diseases
• Community cohesion/social stability (including for resettlement host communities)
• Management/maintenance of replacement houses and community facilities

13.4 Completion Audit
A RAP Completion Audit will be undertaken not later than three years after the start of the resettlement process to assess if the outcomes of the RAP comply with national legislation and IFC requirements, specifically regarding the restoration of livelihoods and overall living standards of the affected communities. The completion audit will involve external evaluation after RAP inputs have been completed.

13.5 Reporting
The CROs will report on a weekly basis to the CRM, who will submit 3-monthly monitoring reports with significant findings to the RSC. The latter will then determine action steps in conjunction with the CRM. External evaluation reports will be submitted to both the RSC and Sovereign top management.
14. RAP Implementation, Timetable and Estimated Budget

This chapter presents the schedule for the resettlement planning and implementation activities that will be undertaken for the Project. This is followed by a breakdown of the main items that will be costed for the RAPs; the procedures applied to each costing item to develop the budget estimates for each Plan is also described.

14.1 Resettlement Planning and Implementation Timetable

*Error! Reference source not found.* gives an estimated timetable for Phase 1 resettlement planning and implementation activities. The schedule will be reviewed prior the finalisation of the RAP report. Changes in Project implementation schedules could impact on the implementation of the RAP. Development of this schedule therefore followed a conservative approach in that it is based on the most time-consuming option.

It is essential that the RAP implementation structures are established in good time for staff to reach a sound understanding of the RAP. Arrangements have to be made for the necessary capacity building of the RAP implementation structures to ensure that role-players involved in RAP implementation understand the requirements of implementation schedules.

The relative timing of the development and implementation of the RAP will depend on the construction schedule. It is recognised that Phase 2 activities may begin substantially later than Phase 1, thus necessitating later initiation of the land acquisition in this area. As the Phase 2 construction and acquisition schedule have not yet been defined, further differentiation regarding the relative timing for development and implementation of Phase 2 activities has not been detailed here; however, Phase 2 activities need to follow the same implementation sequence as set out for Phase 1 in Table 14-1 below. The timing and duration of each activity will be reviewed and where necessary updated once Phase 2 RAP activities are initiated. The implementation schedule should be updated together with any sections of the RAP at least two years prior to planned mining within the area earmarked for Phase 2 activities.
## Table 14-1: Resettlement Planning and Implementation Timetable

| Phase and activity                                | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 |
|--------------------------------------------------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Resettlement Planning/Pre-acquisition             |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Establish RAP Consultation forum                  |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Engagement to finalize entitlement and livelihood restoration options |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Identification of replacement land               |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| RAP Disclosure and approval                      |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| RAP Implementation/Acquisition Land Rights       |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Community sensitization                          |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Gazette and notice to acquire land              |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Census and installment of cut-off date           |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Valuation, Cadastral & supplementary socio-economic surveys |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Compilation of asset inventory                  |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Government valuation and valuation report       |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Entitlement briefings and agreements             |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Preparation and approval of cash compensation schedules |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Payment of cash compensation                    |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Preparation of replacement land and housing construction |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Implementation of livelihood restoration and assistance |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Provision of transitional support               |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Monitoring and evaluation                       |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Relocation                                      |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| Acquisition and transfer of land rights         |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |

Prepared for: Sovereign Metals Limited
15. References


