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**AFRICAN DEVELOPMENT  
BANK GROUP**

**PROJECT: MOZAMBIQUE LNG**  
**COUNTRY: MOZAMBIQUE**

## **RESETTLEMENT ACTION PLAN (RAP) SUMMARY**

*Date: April 2019*

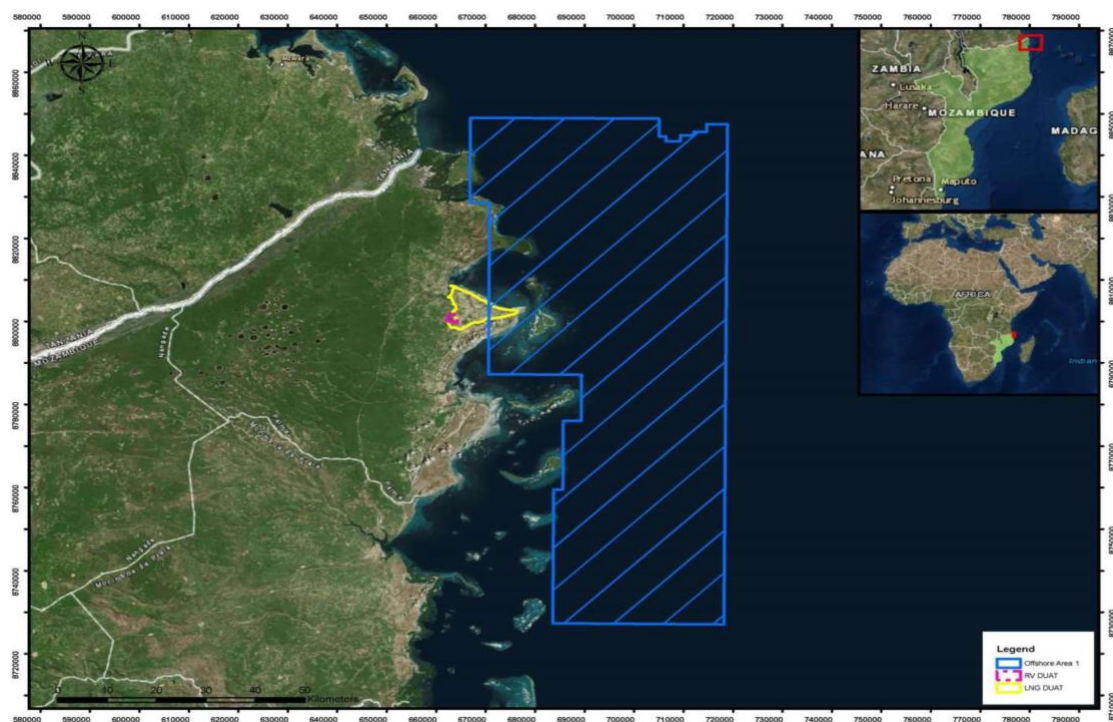
## RESETTLEMENT ACTION PLAN (RAP) SUMMARY

<b>Project Title:</b>	Mozambique LNG	<b>Project Number:</b>	P-MZ-FD0-003
<b>Country:</b>	Mozambique	<b>Departments:</b>	PITD/RDGS
<b>Project Category:</b>	Category 1		

### 1. DESCRIPTION OF PROJECT, PROJECT AREA AND AREA OF INFLUENCE

The purpose of the Project is to gather, process, and export natural gas in liquid form known as LNG. The process begins offshore in Area 1 and Area 4 of the Rovuma Basin, where natural gas will be extracted via subsea wells from gas reservoirs up to 1,500 m below the seafloor. The collected gas will be transported to the onshore LNG Facility by pipelines on the seafloor. Once onshore, the gas will be processed in the LNG Facility to remove impurities, converted to liquid (by cooling the gas) and stored in specially designed storage tanks. Figure 1 below illustrates the location of the Project.

**Figure 1: Project Location**



Project activities occur in three zones:

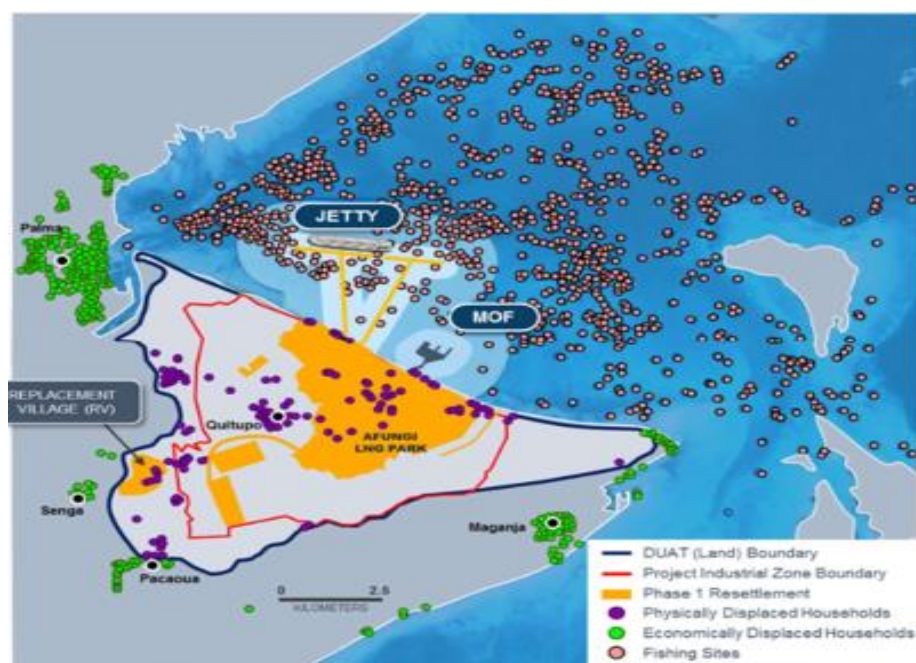
- **Offshore** - drilling of wells and installation of pipelines on the seafloor to connect the wells and then bring the natural gas to the LNG Facility on the shore.
- **Near shore** - construction of LNG and condensate loading jetties, a material offloading facility (MOF), flowlines and imposition of a construction Marine Exclusion Zone (MEZ) and an operational Security Zone (SZ). The dock will accommodate support vessels and allow for equipment and material to be brought on shore. LNG carriers will berth at the jetties while they are filled with LNG. The purpose of the MEZ is to maintain separation between fishers and LNG operations to ensure public safety and enhance the security of the LNG Facility.
- **Onshore** - construction and operation of the LNG Facility and all associated infrastructure such as housing, construction camps and an airstrip.

The approved Project EIA is based on construction and operation of six LNG trains.<sup>1</sup> In future, dependent on global LNG demands, it may be necessary to expand the facility. The recoverable natural gas discovered to date in Mozambique's Offshore Areas 1 and 4 could potentially support up to fourteen LNG processing trains. The LNG will then be transported through pipelines to an export jetty where it will be loaded into specialized LNG carriers to be transported to international markets. These specially designed ships maintain the LNG in a refrigerated liquid state for sea voyages of several thousand kilometers. The Project has an initial 30- year lifespan but this may be extended depending on future gas reserve development.

In total, the Project has acquired 6,625 hectares (ha) of land (excluding replacement agricultural land and the Special License Zone for the development of the LNG Facility. The DUAT (Direito de Uso e Aproveitamento da Terras – A right to use and benefit from land. The Term refers to the right as well as the documentary proof of such right) area will also be used for the implementation of livelihood demonstration programs and the construction of the replacement.

The Project will physically displace a total of 556 households (approximately 2,446 people) from the villages of Quitupo and Senga and some of their production zones from the DUAT. A further 952 households (approximately 4,760 people) from Palma Sede, Maganja and Senga will be economically displaced through the full or partial loss of land-based assets such as *machambas*, crops and productive trees that lie within the DUAT. Local fishermen and intertidal collectors using intertidal and near shore areas to the north-east of the Afungi peninsula will lose access to some or all of their fishing grounds and intertidal gathering area as a result of LNG operations and the establishment of the MEZ and SZ. The Project affected population consists of households who are to varying degrees reliant on a combination of subsistence agriculture, fishing, inter-tidal gathering and small-scale trading. Early Project activities have provided some income earning opportunities for Afungi communities and have increased cash circulation in the local economy.

**Figure 2: Scope of Resettlement**



<sup>1</sup> LNG train is a liquefied natural gas liquefaction and purification facility. LNG is produced by cooling natural gas below its condensing temperature (-163 °C) and storing it near atmospheric pressure. This process typically undergo various stages of chilling resulting in the stream being cooled and liquefied provided by the refrigeration cycle. Once liquefied, the gas volume is 1/600 of its volume in gaseous form and makes it more economical to store and transport. Each LNG plant consists of one or more trains.

A Resettlement Action Plan (RAP), of which this document is a summary, was developed outlining the procedures and actions to undertake Project resettlement in a manner that gives physically and economically displaced households the opportunity to improve or at least restore their livelihoods and standards of living. A separate Environmental and Social Impact Assessment (ESIA) has also been undertaken in fulfilment of national requirements and those of the AfDB applicable to Category 1 projects. A summary of the ESIA has been posted on the AfDB website in conjunction with this RAP summary.

## 2. AVOIDANCE AND MINIMIZATION OF RESETTLEMENT

The Project EIA indicated that all households would be required to move out of the DUAT area, which implied that 2,733 individuals or 733 households would be physically displaced. The Project EIA conservatively estimated a Project land requirement of 7,000 ha, which did not take into account the acquisition of land for a replacement village and replacement agricultural land. The proposed operational Special Zone (SZ) was defined by weighting multiple similar considerations to evaluate site-specific risks to the Project and community. These included:

- Safety of community vessels – to minimize the likelihood of collisions with Project vessels (e.g. LNG tankers) while they are maneuvering;
- Avoidance of equipment becoming fouled – to prevent damage to community fishing equipment (e.g. nets and fishing gear) and avoid risk of injury and loss of property;
- Public safety – to maintain safe separation between the public and the Facility in the event of accidental releases, fire and explosion; and
- Security – provide a safe standoff distance from any potential aggressor; this distance allows staff to monitor the adjacent waterway and provides sufficient time to effectively respond to any potential threat.

With the operation of two LNG trains, tankers are expected to berth at the frequency of one every 2-days. With development of fourteen LNG trains, a vessel could be arriving every 4-5 hours. This increasing tanker traffic will increase the hazard for small fishing vessels. Maintaining adequate separation between community and Project vessels is critical to safeguard the public and promote safe marine operations.

It is expected that the 1,500 m proposed SZ will lead to some benefit to communities in the long term. Surveys have shown that the fish stocks of Palma Bay have suffered from overfishing. This is largely due to the fishing practices employed in the intertidal area where small mesh nets are employed. Seagrass beds traditionally serve as a nursery for juvenile fish and provide refuge from larger predatory fish species. However, overharvesting of juvenile fish in the seagrass areas has resulted in an imbalance of this natural process. As the SZ will not be accessible to the community, this process is expected to revert back to a natural state and the seagrass beds will provide the opportunity for juvenile fish to mature to breeding age and begin to replenish the fish stocks in Palma Bay. Thus the proposed 1,500 m SZ is likely to lead to a more sustainable fishery.

## 3. POLICY, LEGISLATION AND REGULATORY FRAMEWORK

Project Land Rights: The Project complies with Mozambican legislation applicable to the development and implementation of resettlement plans, as well as IFC PS 5: Land Acquisition and Involuntary Resettlement, 2012 (IFC PS 5). The Regulation on the Resettlement Process resulting from Economic Activities, enacted by Decree N° 31/2012, of 8 August (Resettlement Decree) requires a resettlement plan to be included in the EIA process when the activity to be implemented entails population resettlement.

## **Applicable Mozambican laws and regulations**

Constitution of the Republic of Mozambique: The Constitution of the Republic of Mozambique (2004) vests all ownership of land and mineral resources in the State. The State has the authority to grant land use and benefit rights, and grant the right to conduct petroleum operations. The processes for obtaining land use and benefit rights and the right to conduct petroleum operations occur through distinct processes and are regulated by different laws and regulations.

Law N° 3/2001, of 21 February21: The Project proponents' petroleum exploration and production rights were granted under Law N° 3/2001, of 21 February (the then prevailing 2001 Petroleum Law), which established the regime for granting rights to carry out petroleum operations in Mozambique. This law establishes that petroleum prospecting, exploration, development and production activities will be carried out by means of execution of a concession contract.

Law N° 21/2014, of 18 August22: This is the law currently governing the granting of rights to carry out petroleum operations in Mozambique. This law clearly states that fair and transparent compensation is to be provided by the petroleum concessionaires to both people and communities holding land use and exploitation rights, as well as rights over territorial waters (where they are affected by the petroleum activities). The current Petroleum Law requires that resettlement may only occur when the existence of petroleum resources is confirmed through exploration, in terms that allow for beginning production.

Law N° 19/97, of 1 October23: According to both the Mozambican Constitution and the Land Law, all land belongs to the Mozambican State and cannot be sold, traded, mortgaged, pledged or by any other means disposed of. As a result, projects requiring land for implementation/development are subject to the prior award of land use and exploitation rights. The requirements for accessing these rights are described in the Land Law and supplementary Regulations. The Land Law is supplemented by the relevant regulation, approved by Decree N° 66/98, of 8 December (and subsequent amendments), which among other things, establish the procedures for formation, exercise, modification, transfer and extinction of a DUAT.

Decree N° 31/2012, of 8 August 24: The 2001 Petroleum Law stipulates that where land users and/or occupants require resettlement, those displaced are entitled to compensation paid by the concessionaire. No other provisions on resettlement were provided under the 2001 Petroleum Law. Prior to the enactment of the Resettlement Decree, Mozambican law did not provide a specific framework aimed at governing involuntary resettlement. As a result, the project proponent typically undertook all responsibility for resettlement planning and implementation, based on international rules, notably those of the IFC. The Resettlement Decree now clearly establishes the rules and basic principles applicable to the resettlement process implemented as part of private or public economic activities. In doing so, the Regulation aims to improve affected citizens' quality of life and protect the environment.

Law N° 19/2007, of 18 July25: The Territorial Planning Law defines the legal framework for territorial planning, in line with the principles, goals and citizens' rights enshrined in the Constitution. The Territorial Planning Regulations establish the legal framework for territorial planning instruments, including the relevant preparation process. In terms of territorial planning in the Project area, a district land use plan for the District of Palma has not yet been made public. There are indications that an industrial zone will be created in the vicinity of the Project DUAT and that the Project replacement village site will be zoned as 'urban'. This may change the procedure to obtain the corresponding titles of the individual plots and houses as a result of the resettlement process.

Law N° 10/88 of December 2227: For the purposes of this law, 'cultural heritage' refers to tangible and intangible assets created or assimilated by the Mozambican people throughout history and of importance to Mozambican cultural identity. Assets of archaeological, historical or scientific value, as well as intangible assets are considered items of cultural heritage and worthy of protection. Depending

on the nature of these assets, discoveries must be communicated to the relevant authority, which will inspect and determine the classification of the find and its future management.

Customary law: The Constitution of Mozambique (2004) recognizes customary law as a legitimate source of rights. These informal land tenure rights are recognized under Art. 12 of the Land Law. This implies that the resettlement process needs to take into account the land tenure and land allocation mechanisms adopted by affected communities, rather than on title holding or regular land-related documentation.

Property rights and gender: The Constitution of Mozambique (2004) establishes gender equality and non-discrimination as foundational principles (Art. 11 and 36) in all spheres of political, economic, social and cultural life. It also recognizes and guarantees the right of inheritance in accordance with the law (Art. 83), although there is no specific reference to marital property and inheritance rights. Land use rights acquired through custom (including inheritance or occupation) are established in Article 111.

IFC Performance Standard 5: Land acquisition and involuntary resettlement: IFC PS 5 (January 2012) is a set of standards aimed at avoiding and minimizing the impacts of involuntary resettlement arising from a project's acquisition of land rights. IFC PS 5 advocates that expropriation or use of governmental authority should only be used as a last resort and encourages the use of negotiated settlements that meet its requirements. According to IFC PS 5, "...resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement" (para. 1). IFC PS 5 notes this as occurring in instances of (i) lawful expropriation or temporary or permanent restrictions on land use; or (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail. IFC PS 5 is designed to be applied as part of the process of identifying impacts and risks and putting in place systems and management plans to help avoid, mitigate and manage risks and impacts as a sustainable way of doing business.

Differences between Mozambican legislation and IFC PS 5: Generally, Mozambican legislative and regulatory requirements governing rights to land and resettlement are aligned quite closely with those of IFC PS 5. This is expected, as the Resettlement Decree in many key respects is modeled on World Bank and IFC resettlement principles and approach. Areas of similarity include (but are not limited to) the following:

- Focus on resettlement as a development opportunity whereby affected people can be assisted to improve their living standards and livelihoods;
- The need to provide resettlement assistance, improved housing and measures to restore livelihoods, not just cash compensation;
- Provision for in kind assistance (e.g. land for land, house for house) as well as cash compensation;
- Emphasis on providing equivalent replacement land, access to natural resources and other forms of assistance as part of livelihood restoration;
- Similar procedural requirements including the requirements for a census, socio-economic surveys, asset surveys, identification of impacts and mitigations, as well as preparation and approval of a RAP prior to resettlement commencing;
- Focus on dissemination of information and the right of interested and affected parties to information about the resettlement process and decisions affecting their future;
- Avoidance and minimization of impacts on cultural property;
- Requirement for a mechanism for filing claims and managing conflicts (i.e. grievance and dispute resolution mechanism) between the affected persons and the project proponents; and,
- Requirement for ongoing monitoring and evaluation.

In some areas, the requirements of Mozambican legislation are more extensive than those of IFC PS 5, for example:

- The Resettlement Decree defines an explicit set of ‘rights’ for project affected people;
- The Resettlement Decree is more prescriptive about the socio-economic baseline data to be collected and the kinds of analysis and evaluations to be performed than IFC PS 5;
- The Resettlement Decree is very prescriptive about the size and standard of replacement housing, replacement plots, and the types of supporting infrastructure to be provided; and
- The Resettlement Decree requires preparation of a Resettlement Implementation Plan in addition to a Resettlement Plan (RP).

There are also areas where the requirements of IFC PS 5 are more extensive than those of Mozambican legislation. These include (but are not limited to) the following:

- Need for avoidance and minimization of physical and economic displacement;
- Need for informed consultation and meaningful participation beyond public meetings and government-led representative committees;
- A performance based definition of adequate replacement housing that can be measured by quality, safety, size, number of rooms, affordability, habitability, cultural appropriateness, accessibility, security of tenure and locational characteristics;
- A requirement to implement differentiated measures for vulnerable people to ensure that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities (this requirement goes beyond the Resettlement Decree and technical directive’s requirements for gathering baseline data and ensuring vulnerable are represented in consultations); and
- Accessible avenues for making a complaint.

The RAP information availed and presented in the RAP report exhibits commitment by the Project to the Bank’s OS2 seeking to ensure that when people must be displaced, they will be treated fairly, equitably and in a culturally sensitive manner: that they will receive compensation and resettlement assistance so that their standard of living, income-earning capacity, production levels and overall means of livelihood are improved; and that they will share in the benefits of the project that involves their resettlement.

#### **4. SOCIO-ECONOMIC BASELINE**

##### **Affected Population**

A total of 556 households residing in Quitupo and associated production zones as well as Quitunda and Patacua will be physically displaced from the DUAT. Additionally, 952 households will be economically displaced through the loss of land-based assets such as *machambas*, standing crops and productive trees within the DUAT. In addition to those experiencing loss of household dwellings and assets, the communities of Senga, Maganja and Mondlane will lose common resources that belong collectively to all community members. Such losses will result from (i) areas that are alienated from community access as a result of Project use, and (ii) common resource areas that are allocated to displaced households to be converted into replacement agricultural land. Palma Sede do not have any community land within the DUAT, however households from Palma Sede have rights to assets within the DUAT. In addition to the households affected by terrestrial developments, 3,266 individuals who do not reside or have land-based assets in the DUAT, are expected to be economically displaced to varying degrees due to impacts of the MEZ during construction and the SZ during operations on their current fishing and intertidal gathering practices.

*Culture:* The affected communities have a varied linguistic and ethnic background with speakers of Chimakuwa, Kimwani, Chimakonde, Chimakwe and Kiswahili. The majority of households practice the Islamic faith with the exception of those surveyed in Senga where more households/individuals describe themselves as Christian. The vast ethno-linguistic composition has resulted from individuals originating from various areas including Nampula and Tanzania.

*Education:* The level of education in the affected communities is very low but largely consistent with other rural areas in Mozambique and particularly in Northern Mozambique. School attendance by children under the age of fifteen at the time of the Resettlement census was also very low. Levels of school attendance and levels of education are much lower for females than males.

*Health:* Affected communities' health is characterized by malnutrition and a high incidence of malaria. Maganja reportedly suffered an outbreak of cholera in 1997 and a second one in 2000. Maganja has a Type I health center with a maternity ward and three employees. Health workers reported that community members only visit the health center after they have tried traditional remedies that have failed or did not have the desired results. Women tend to give birth in their homes, unless they fear complications. The health center has contributed to the overall access to health care in the surrounding communities.

*Food Security:* The food scarcity situation has improved in Afungi, already stimulated by employment and markets newly accessed with the start of Project preparation activities. In Senga, improved road access has also resulted in improved access to food products. Households still however feel that there are certain times during a year that they do not have sufficient food.

*Livelihoods:* The affected communities is largely dependent on subsistence activities to support their families. The predominant sectors in which subsistence activities are developed are agriculture and fisheries with small numbers involved in formal employment at the time of the surveys. With the availability of formal employment income, savings and debt levels are increasing, which is stimulating various other activities including trade. Households who are not formally employed generate cash from trading primarily agricultural and fisheries products. Households tend to spend their money on basic goods and transport.

*Housing:* Houses in Afungi are generally built in a rectangular shape with materials available from the surrounding environment (mud, rock, shell, palm leaves, etc.). They follow the design that is commonly found in the Palma District of a hip roof constructed with four pitched sides. With the increased availability of cash and the improved road network access to Afungi, corrugated iron for roofing is becoming more commonplace. There are some houses that are constructed from conventional materials (cement blocks and corrugated iron sheeting). A family's washing area is constructed outside of the house. Common ancillary structures that families build around their house include kitchens, bathrooms, livestock pen/ poultry coop and pantries.

*Access to services/infrastructure:* Affected households have poor access to education and health care services. Water is generally accessible from communal wells, with or without hand pumps. The water quality of these sources is very poor due to contamination. Most households in Afungi do not have any form of formal sanitation facilities and instead use the fields and bushland. Some households in Palma Sede do have access to more formal sanitation facilities. None of the households in Afungi have access to the main electricity grid. They use firewood for cooking and the poorest families also use it for lighting. Families in Palma Sede may connect to the electricity grid but still use firewood and charcoal for cooking. Cooking inside the house is more common with inland households as the smoke is used to protect, dry out, and/or keep pests away from agricultural produce stored in the roof of houses. There is not much communal infrastructure in the three large villages. Religious communities in each village construct their own buildings for religious purposes. As such, there are no Christian churches in Maganja or Quitupo.



Transport and Communication: Households in Afungi use bicycles and motorcycles for transport. Households have also cited that they use chapas (mini-bus taxis) for transportation purposes. Due to illiteracy levels, the primary means of communication within communities is oral. Communities also use cellphones and in recent years cellphone companies have improved their coverage in Afungi that improved communications significantly.

Sacred Sites and graves/graveyards: The asset survey identified graves and cemeteries within the DUAT. Many ceremonies are celebrated in Afungi - the Islamic Maulidi festival and the annual initiation ceremonies are most widely observed. The Maulidi festival is performed on the Prophet's birthday, at weddings and other festivals.

Household Organization: At the household level, patriarchal (male-led) structures prevail, with a senior man heading the household and, when in polygamous relationships, maintaining several households. These multiple households may be located on the same plot, in the same village or in different villages. Only when women are widowed do they head households, however, this leadership role is relinquished if the woman remarries. Machambas are inherited or developed by a woman or her husband, and it is through either of them that access to land for farming is secured.

In most parts of Afungi, the Islamic influence prevails which prescribes that upon marriage a woman should move to her husband's village or residence and uses his property. However, many Mwani from the south and Makonde from the hinterland are matrilineal. In these cases Islamic men marry and move to their wives' families where they secure use and ownership rights for machambas. In cases where the influence of Islam is stronger than that of a matriline, a woman of a Mwani or Makonde lineage, may go to live in her husband's home. This latter situation is increasingly common as the influence of Islam gradually outweighs the importance of lineages.

Polygamous men divide their land between their various wives, who each farm individually. The wives also live in separate households, sometimes even outside the husband's community. A woman might have land or trees of her own through inheritance.

Both men and women contribute to the subsistence of the household through agriculture, fisheries or trade related activities. The barring of women from fishing vessels is based on the traditional belief and prevailing perception of women's weakness (i.e. that they are not physically able to participate in fishing from boats). Although not necessarily true, this belief is strongly held by both women and men in Afungi.

Women generally provide their cash income to their husbands, who decide how the money will be spent. Husbands generally decide what portion of the agricultural yield is to be used by the family and what

Administrative Framework: In accordance with the general administrative framework, a Provincial Governor appointed by the President of the Republic, heads the Cabo Delgado Province. The Province consists of sixteen districts, each led by District Administrators who are directly accountable to the Governor. Each District Administrator in turn supervises the Chiefs of the Administrative Posts of the respective district, as appointed by the Ministry of State Administration. The Administrative Posts are divided into localities, headed by Chiefs of Locality. Each locality is comprised of several villages. Project-affected villages fall within two localities, namely Mute and Palma Sede. Senga, Quitupo and Maganja villages lie within the Mute locality and Palma Sede falls within the locality of PalmaSede. Each of the main villages includes smaller satellite settlement areas (termed "production zones"). There are no formal Government structures below the village (povoação) level, where authority is vested in community leaders (including traditional leaders selected according to custom and whose authority is rooted in kinship ties, or nominated community leaders). The elders of the originally resident families carry out allocation of land with oversight from village leaders. If the land is for use within a family or clan, it is ceded directly by the family. Elders, representing families considered the original residents of

an area, usually lead or participate in traditional ceremonies that benefit or protect communities/families in a specific area.

### **Displaced Population**

A total of 556 households will be physically displaced as they currently reside within the DUAT. A further 952 households will be economically displaced as a result of losing fixed assets within the DUAT.

*Household characteristics:* The median household size for displaced households is five persons per household. The affected population is predominantly young (mirroring the national population) with 45 percent of household members younger than fifteen.

*Ethnicity and language:* The ethno-linguistic composition of the affected population is diverse and includes Cimakwé, Kimwani, Chimakonde speakers, and others. The predominant ethnic group in Palma Sede, Quitupo and Senga is Makuwa but in Maganja it is Makuwa and Mwani. Displaced households have reported that they speak more than one language in the same household, the most common combination being Kimwani, Kiswahili and Cimakwe. This combination is most common in Palma Sede and Quitupo (31% and 24% respectively). The majority of displaced households from Senga speak either Kimwani (15%) or a combination of Kimwani and Cimakwe (12%). The Kimwani, Cimakwe and Kiswahili combination is most common in Palma Sede (31%) and Quitupo (24%). In Maganja, displaced households most commonly speak Kimwani and Cimakwe (17%) or Kimwani (17%). Mondlane households on the other hand are most likely to speak only Cimakwe (22%) or combination of Kimwani, Kiswahili, Cimakwe; and either Chimakonde (19%). The differences in the ethno-linguistic composition between Maganja and the other villages can be attributed to their origins as traders from Nampula and other areas. Fishers in Nsemo also come from Nampula and north from Tanzania. The vast majority (95%) of displaced households are Muslim, with small numbers describing themselves as Christian (2%) or other. The ratio of Muslims is slightly lower in Senga (75%), where eleven percent of displaced households are Catholic, ten percent characterize themselves as Christian (other denomination), two percent claim no religious affiliation and one percent claim to be Protestant.

Most people in Afungi live in well-organized settlements and satellite production zones or sub- villages, with houses aligned and normally close to each other. In Quitupo, 310 households live in the main village and 198 households are located in the five satellite production zones that will be relocated. Village life revolves around a central meeting area, usually marked by a large tree, where people usually assemble to discuss issues and decide on community matters or to trade.

*Education:* Of the 3,084 school aged children included in the Resettlement census (2015), 47 percent do not attend school. Girls are more likely than boys not to attend and at the time of the census only ten boys (one from Senga and nine from Palma Sede) were attending secondary school.

Weaving, almost exclusively carried out by women, is by far the most common skill in all displaced households (24% of surveyed households). Skills were most commonly passed on from parents (66%) or self-taught at home (29%). Eight percent of those claiming skills in masonry/bricklaying/mechanics and eight percent in carpentry had undergone apprenticeships or technical learnerships.

*Health:* Fever (which can be closely associated with malaria) was the most commonly reported ailment, cited by almost all (95%) of respondents to the socioeconomic survey, followed by diarrhea (70% of respondents). Other ailments reported in the survey included Stomach aches (31%), Malaria (21%); Breathing problems/respiratory disease or coughing (21%), Heart problems (17%), Eye infections or problems with vision (9%), Skin problems (8%), Intestinal worms (7%) and Blood in urine (7%). According to the Project Baseline Health Survey<sup>11</sup>, malnutrition is common in the Project area, particularly in children. Boys generally exhibited higher rates of moderate malnutrition as it relates to

wasting and stunting compared to girls. However, girls are worse off with regards to the other nutritional indicators (severe wasting, weight for height and mid-upper arm circumference).

*Food security:* Agricultural studies, conducted as part of livelihoods assessment, identified that food insecurity was associated particularly with the rainfall months of February, March, and April (i.e. during the growing season prior to crops maturing). Relocation between August and December will ensure that crops are mature for harvesting and the preparation of replacement agricultural land will take place within the normal field preparation time.

*Economic profiles:* As in most rural areas in Mozambique, Afungi is characterized by a predominantly subsistence based economy with each family producing mainly for self-consumption or for local barter. Household activities tend to center around agriculture and fisheries, with small numbers involved in formal employment and trade. Six percent of adults of working age (excluding those who are too sick to work) indicated that they are looking for work. Even though children do not work, they occasionally participate in the household subsistence and income generating activities.

In Maganja there is a formal market where trade takes place and it consists of eleven fixed stalls, six teashops and various vendors who sell their products, as they are available. Senga's market is located on the main road into the village and has formal stalls that sell mainly agricultural produce. Agricultural and fisheries products are sold at the market and are transported to Palma Sede, Mueda and Mocímboa da Praia on the road that has been improved by the Project.

Trade has been an important activity along the Palma coastline, since the earliest Arab and Swahili traders. Trade like other skills has been passed from one generation to the next and people are proud of their ancestry in this capacity. Afungi and Palma Sede have main coastal trade points in Mocimboa da Praia and Nacala where dry food products are obtained as well as in Tanzania where cloth is manufactured and electrical goods are sourced using the currencies of both countries. Trade is family-based where trust is the primary element cementing responsibilities for goods and money.

*Agricultural Livelihoods:* Households in Afungi diversify their agricultural livelihoods just as much as they diversify their overall livelihoods strategy. The displaced households have rights to machambas and trees. Households also own livestock and plant vegetable gardens. It is however important to note that fourteen percent of households in Palma Sede did not have machambas and only fifteen percent of households in Quitupo do not have access to machambas. Typically, the majority of displaced households have access to rain-fed machambas and some have access to wetland machambas. These wetland machambas are located within wetland areas that are planted with rice in the summer months. After harvesting the rice in May and June, some wetland machambas are planted with vegetables and sweet potatoes. The most popular crops cultivated by displaced households are - in addition to cassava - watermelon, cowpeas, Bambara nuts and rice. Cassava is the main staple in Afungi and yields well at an average of twelve tons per ha (fresh yield). Households also sell excess cassava to generate an income. However, due to the simultaneous sale of all excess cassava, the price for cassava is very low at the end of the season.

*Fisheries livelihoods:* Thirty-two percent of economically active members of displaced households reported fishing (including sale of fish and seafood) as a primary occupation with fifty-one percent of displaced households reporting at least one member primarily engaged in such occupations. This activity is more common amongst coastal residents, with forty-five percent of economically active members (66% of men and 21% of women) from Maganja, thirty-four percent (56% men and 11% women) from Palma Sede and only twenty-six percent from Mondlane, 20 percent from Quitupo and six percent from Senga citing fisheries as their primary occupation. Amongst those citing fisheries as primary occupation the majority (84%) are fishermen, while the remaining sixteen percent sell fish and seafood which, although not commonly cited as a primary occupation, (55% of businesses operated by 67% of households with businesses, or 46% of all displaced households). The majority (51%) of those

primarily engaged in fisheries are men, although women are marginally more likely to sell fish and seafood in Palma Sede.

Intertidal collection provides an important alternative subsistence income to communities especially for women and children. The median number of days spent on intertidal collection is much lower when compared to agriculture and fisheries. Gathering of marine resources contributes to household income to a greater extent than was indicated for land-based foraging. Nearly all of those households engaged in mosquito seine collection, and 87% of those engaged in collection of crabs, mollusks, seaweed and/or shellfish indicated that they sell the resources gathered.

*Distribution of Fishers:* A total of 616 vessels have been surveyed in all fishing centers across the bay. The principle concentrations are in Palma Sede and Nsemo/Kibunju, each of which host around thirty-percent of all the vessels operating in the bay. Only a small number of vessel owners (10%) live within the DUAT. During the Project's Vessel Owner Registration process 628 owners were registered with a total number of 705 vessels. These vessels have 2,984 crewmembers that work on the vessels at any given time. Many vessels have more crewmembers than positions in the boat, as crewmembers do not fish on a full time basis on that vessel.

*Structures of displaced households:* Physically displaced households will lose their homes, as well as other structures on their residential plots. Houses are normally rectangular in shape and neatly built. Most houses are constructed with traditional materials (walls made of wattle and stone or wattle and daub, palm frond roofs, and earthen floors). There are some houses constructed either totally or partially with more modern materials, such as cement blocks and corrugated iron, which are described within communities as "improved". Ablution areas (generally limited to wash rooms) are built outside the house. Of the 556 physically displaced households, 115 households have a second home. These homes are located in a number of places that include: Nampula and Ntuare provinces of Mozambique, and within Cabo Delgado Province in Palma Sede, Mocimboa da Praia, and Nangade.

*Water and Sanitation:* The primary water source for displaced households is community wells, as cited by the majority (73%) of households in the socioeconomic survey. Other sources include household wells and rivers/lakes.

*Transport and Communications:* More than two thirds (68%) of displaced households reported that they have their own transport. The most common modes of own transport are bicycles, boats (could include canoes and planked vessels), and motorcycles. In the past two years, households in Afungi have started to invest in bicycles and motorcycles for their transport needs as their access to cash has improved. The most common forms of public transport reportedly available to displaced households are chapas (mini-bus taxis) and motorcycle-taxis. Chapas are more common in the more urban environment of Palma Sede. In Afungi villages motorcycle taxis are however more common. Displaced households report that they spend an average of 496 MZN on public transport per month.

Cellphones are the central communication tools used by affected communities. There are two cell phone aerials in Maganja and one in Quitupo (Movitel and Vodacom). 63 percent of households own at least one cell phone, but usually more. Displaced households reported in the Resettlement census that they spent on average 567 MZN on airtime per month. This represents four percent of the average household expenditures. Fifty seven percent of affected households claimed to own at least one radio. Only five percent of affected households own a television. The most common form of communication within communities is oral (the majority of individuals in Afungi are illiterate) with more formal oral communications taking place via meetings at the nkutano (meeting area). However, it is also customary (and practiced by the Project) for important information to be transmitted by letter to the village leader for further dissemination through local community leaders.

## **Residential Host Community**

The replacement village will be located in the area where Quitunda is currently located. Quitunda is located within the community boundary of Senga. Senga is recalled by its inhabitants as having originated with the settlement of three families, Mbau, Njoro and Wandala under the leadership of Nguvu Za Bure in around 1930. Mangala, Nsidje and Patacua also settlements within the Senga area, attracted people from the coastal settlements. The whole area was renowned for its agricultural productivity.

*Educational infrastructure:* Senga has no public services except a first level elementary school with two classrooms made of local materials with corrugated iron roofing. The school operates in two periods of the day, in the morning and in the afternoon. Residents in Senga tend to make use of services in Palma Sede. Some Senga residents have also benefitted from non-formal education from short courses to prepare local people to meet employment needs of the Project. These were realized outside of Senga in Project facilities.

*Business and communication infrastructure:* Access to Senga village, Mangala and Quitunda from the main commercial centre of Palma Sede is via a road rehabilitated by the Project. A short-cut also leads directly to Palma Sede, underlining the importance of the district centre for the socioeconomic development of Senga community. Patacua is in the process of becoming linked by another road opened by the Mondlane community between Senga, Patacua and Mondlane. Trade is carried out locally from market stalls, mobile vendors and tea rooms. The local market is used by several informal traders. Senga village has fluctuating access to the Movitel mobile phone network which is important for all types of communication.

*Sociocultural and religious infrastructure:* Senga village has a Catholic and a Protestant church as well as a mosque, each with its own leader, groups of believers and financing sources. The religious structures are used by some families from other satellite settlements but not all. Whereas Christians may only use the churches in Senga, Muslims often prefer to use the larger mosques of Maganja, Quitupo or Mondlane. Family cemeteries are located throughout the community area. Senga also has a Nkudyano or venue for discussing community issues and making decisions that affect the Senga community. Football fields are made wherever possible reflecting keen interest by the youth in sports. Many socio-cultural events of importance such as initiation rites for boys (Django) and for girls (unyago) require no infrastructure, but instead rely on the possibility of locating secluded areas in the surrounding forests.

*Water, Sanitation and hygiene infrastructure:* Improved water supplies, sanitation and hygiene infrastructures are notably absent from Senga village and its satellite settlements, and the community of Patacua has the highest disease burden due to poor hygiene in all of Afungi, with Senga following in second place. This is understandable given that they have no protected water sources (there are seven open shallow wells, five of which are in the lowland basins of Senga rivers), faecal coliform contamination of drinking water is almost universal at household level, schistosomiasis was found to be 100% prevalent in Patacua and 96% in Senga and hookworm found in 88% of Patacua residents tested.

*Household characteristics:* Most people living in Senga are speakers of Chimakonde or Cimakwe, although most, except elderly women, understand Kiswahili, Emakhua and Kimwani languages. Senga is unique in the Afungi peninsula in having the majority of its population being Christian. Belief systems and practices also extend to animism or the veneration of ancestors at grave sites and places used for customary healing rituals, primarily based on Makonde cultural practices. Two traditional sacred sites (nsati) were identified in Patacua and Nsidje where lineage leaders are caretakers of the activities carried out there.

*Livelihoods profile:* The Senga community area has six perennial rivers, eight lakes or ponds with wetlands, one area used for collecting medicinal plants in Tchi, two areas used for hunting and an agricultural production zone surrounding the residential areas. Senga community has no borders with the sea and its inhabitants are predominantly agricultural producers who trade their produce, hunters, and traders. Senga families sell local products such as cassava, sweet potatoes, maize, peanuts, beans, unshelled rice, sorghum, sesame, and vegetables. Coconut is specifically for increasing the family income. In addition to these, the village produces pineapple, mango, banana, cashew nuts which contribute to family income. Manufactured products included in resale trade include sugar, soap, oil, cigarettes and complementary products. People in Senga community raise small livestock species and poultry, but these are complementary rather than primary subsistence activities

*Alternative fishing area:* Fisheries in the proximity of Maganja Velha are of special interest, as the area will be one of the closest parts of the coastline to the resettlement village at Quitunda. The community at Maganja Velha is therefore likely to become part of the communities to host physically displaced households seeking alternate fishing areas.

*Vulnerability:* Resettlement can impact vulnerable people or households more than other affected individuals or households, as their ability to cope with change and disruption is lower. Vulnerability is most often associated with poverty. However, households and individuals can also be seen as vulnerable because they are isolated, insecure and defenseless in the face of risk, shock or stress. As a result, the Project identified potentially vulnerable individuals or groups who may require additional assistance.

*Existing Land use:* Land use in Afungi is characterized by: concentrated residential areas a few dispersed households living in agricultural production zones and fishing zones; agricultural production zones where households have their machambas; fallow land; and bushland, subsistence activities such as fisheries, agriculture and petty trade support families. Very few households have a member who is formally employed and cash is generally generated from trading agricultural and fisheries products. Each community knows its boundaries and has means of managing communal natural resources. The communities in Afungi do not have access to extensive social infrastructure. Social infrastructure is concentrated in larger communities such as Senga, Quitupo, Maganja and Mondlane.

*Displaced and host communities are similar in many respects. Due to the fact that the displaced communities will not be resettled far from their current location, there are already existing inter-community relationships. Some issues related to natural resource use and replacement agricultural land (due to access and abundance) is expected. These issues are part of resettlement and is managed during the implementation phase.*

## **5. PROJECT PHYSICAL AND ECONOMIC DISPLACEMENT IMPACTS**

*Permanent loss of use of land:* Households and communities will permanently lose use of land that falls within the DUAT and the replacement village site. At the time of asset surveys, about 1,116 ha (16% of the DUAT) was being actively cultivated. A further 578 ha (9%) was fallow. In addition, households also claimed 940 ha of bushland (14%). The landscape consists of a mosaic of bushland, fallow and cultivated areas with fallow land often containing small patches of remnant bushland. As such the bushland-fallow breakdown should be treated as indicative.

*Replacement land:* The Project has identified a need for about 2,262 ha of replacement agricultural land, equivalent to about 1.5 ha per displaced household. Investigation of potential replacement lands to date has assessed areas in Maganja, Mondlane and Senga. Mondlane community agreed to cede approximately 1,600 ha of their land. Senga community agreed to cede approximately 400 ha of their land. *Mitigations for permanent loss of land:* Measures include provision of up to 1.5 ha replacement agricultural land for each displaced household actively engaged in agriculture, Cash compensation to customary land 'owners' (not users), an establishment package for households to re-establish their

agricultural activities in their new replacement agricultural area; an Agricultural livelihood training and assistance to increase crop yields and productivity.

Temporary loss of use of land: While most construction activities will take place inside the DUAT, it is possible that some temporary land will be required outside of the DUAT for short duration laydown or other purposes. Where such Project use of land is for less than two years, affected landholders may experience some loss of trees, crops and immovable assets and/or loss of subsistence and any cash income from production on that land for the period that the land is unavailable for cultivation. Mitigation Measures: The Project will provide compensation for any trees, crops or fixed assets cleared due to Project activities as defined in the Resettlement Plan(RP). Payments will be at RP rates and will be repeated each year or part thereof until the land area is returned to the household in a usable condition. Where the land is occupied for longer than two years, the affected landholder will be entitled to the same compensation and livelihood assistance as proposed for permanent loss of land in accordance with this RP.

Loss of dwellings: The asset survey identified 556 dwellings that will be lost due to the Project. This includes dwellings within the PIZ (379), Livelihood Development Zone (88) and the replacement village site (8). Mitigation measure: Owners losing primary dwellings (including wives in polygamous marriages that own their own dwelling) will receive a new dwelling and serviced house plot at the replacement village, plus relocation assistance, Owners of dwellings occupied by relatives or tenants, will receive cash compensation for the secondary dwelling at an amount equivalent to its full replacement cost, tenants and occupants of dwellings will be eligible to receive a new dwelling and serviced house plot at the replacement village, plus relocation assistance. Short term renters (< 2 years) will be entitled to three months standard rental and where such short-term renters are vulnerable (for example, widows and physically handicapped), the Project will assist them to find and negotiate suitable replacement housing. The replacement house owners will receive a title of ownership and a DUAT title for their house and housing plot, respectively. These titles will be issued in the name of both spouses.

Loss of Ancillary Structures: In addition to dwellings, physically displaced families will lose other ancillary structures such as external rooms; kitchens; ablution facilities and latrines; wells; chicken coups; fish drying racks; and the like. Some economically displaced households will also lose ancillary structures. Mitigation Measures: For physically displaced households (i.e. those receiving new houses in the replacement village), external kitchens, fences and bathrooms will be replaced 'in kind' with improved structures on each replacement house plot; The Project will pay cash compensation for all other ancillary structures at full replacement cost and households will be given the opportunity to salvage any of their ancillary structures, using their own resources, where feasible.

Loss of annual crops: So far as feasible, households to be displaced will be given sufficient notice to enable them to harvest any annual crops prior to the Project taking possession of their land. In addition, households will receive cash compensation for any annual crops as recorded in the asset survey. For cassava, or annual crops of lesser value than cassava, compensation will be paid for the planted area at the cassava rate. For crops with value higher than cassava (e.g. sweet potato, water melons, certain vegetables), compensation will be paid on the basis of the assessed value of the crops recorded during the asset inventory.

Loss of perennial crops: Only two perennial crops were identified during the asset survey. These were bananas and pineapples.

Loss of fruit trees: One thousand three hundred and eleven (1,311) households will lose a total of 88,991 fruit trees from areas that will be used by the Project. Most of the cashew trees in the Project area are beyond their productive life or in poor condition and yield limited fruit.

Sea-based displacement impacts: Resettlement of fisher communities will alter their access to marine resources. Residents of communities that were on the coast will reside 6 km from the nearest shore post

resettlement. Although their traditional fishing and collecting areas will remain open, the time taken to travel to these areas will increase significantly. This will be for the construction of **Phase 1:** Construction of the MOF and Jetty 1 including imposition of a 500 m construction phase Marine Exclusion Zone (MEZ); and, installation of the sub-sea pipelines with a 1,000 m temporary, moving exclusion zone during the pipeline construction period. Approximately 12 percent of the total area of Palma Bay will be excluded from fishing, not including the moving exclusion zone around the pipeline. **Phase 2:** Operation of MOF and Jetty 1 with the proposed 1,500 m operations phase SZ. Approximately 15 percent of the total area of Palma Bay will be excluded from fishing once LNG Facility operations commence. Other Project impacts may also lead to the economic displacement of fishers. Other possible impacts could include accidental damage to fishing vessels or equipment by the Project, accidental damage to fishing vessels or equipment by the Project, Impacts on fishers due to unforeseen localized Project activities leading to temporary access restrictions or loss of fishing areas, loss of productivity caused by habitat loss or degradation, reduced availability of fished species; and downstream impacts on the fisheries value chain. As mitigation these impacts will be offset through the material assistance program in the livelihoods program.

Loss of intertidal and shallow subtidal fishing grounds: People from nearby communities gathering sessile resources or dragging fishing nets through shallow waters, harvest the area of intertidal and shallow subtidal habitat that falls within the footprint of the Project construction Marine Exclusion Zone and operations SZ. Temporary exclusion areas around construction activities, permanent exclusion areas associated with marine and terrestrial infrastructure, and loss of access routes to coastal gathering areas would result in loss of access to intertidal and shallow subtidal fishing grounds. As a mitigation measure, the project proposes livelihood programs and material support like the installation of shellfish spat settlement material to enhance natural populations, development of community or family-based mariculture farms to create sustainable, alternative livelihood option (seaweed, sea cucumber, mud crabs); or direct stock enhancement may be possible for species (such as oysters, clams, lobsters, sea cucumbers) from hatchery seed where hatchery production is proven and viable.

Loss of access to traditional marine fishing grounds: Temporary exclusion areas around construction activities and permanent exclusion areas associated with marine and terrestrial infrastructure will result in partial loss of access to marine fishing grounds within Palma Bay. As mitigation, highly impacted fishers (such as nocturnal fishers) will be assisted through the implementation of novel or improved fisheries. These fishers will receive training in these specific programs. Programs that will be piloted and implemented once reasonable success can be expected include Lobster demersal shelters (casitas), Drop line fisheries, Long line fisheries, Octopus fisheries and drifting gillnet fisheries.

Impact on Commercial farmers: Commercial fisheries operating in the north of Mozambique are focused solely on large pelagic resources, namely tuna, swordfish and oceanic sharks. The fleet engaged in fisheries are entirely foreign flagged with the exception of one longliner fishing vessel, and there is almost no interaction with Mozambique for crew, supplies or marketing. To mitigate the possibility of mariners inadvertently traversing areas of exclusion, the project will liaise with the Maritime Administration regarding issuance of notices to mariners to cover well platform placement and sub-sea pipeline installation and exclusion zones around permanent platforms.

Loss of community facilities and infrastructure: Community infrastructure that will be lost as a result of Project development include a school, laundry, Makuti (shade structure), meeting place, borehole with hand pump, shallow well with hand pump, concrete ring-lined deep well, market, soccer field, Vodacom aerial. To mitigate this loss, lost infrastructure will be replaced in kind with improved infrastructure at the replacement village. The replacement village, to be constructed by the Project, will be an urban development designed to improve the living standards of displaced households.

Loss of access to communal natural resources: The Project footprint was overlaid on the community boundaries to determine broadly what area each community would lose as a result of the Project. A



community agreement will be negotiated with each community in recognition of its loss of rights to natural resources due to the Project development.

Severance of community tracks and paths: Project development will sever many of the paths and tracks currently used by communities to travel between Afungi settlements and their fields, or to reach the coast, Palma and the national north-south highway. The MEZ and SZ will also restrict Afungi communities' ability to access Palma Sede by walking along the foreshore or by boat. To mitigate against this impact the project will construct a network of roads to link settlements to the north-south national highway and Palma Sede, as well as to replacement agricultural areas and fisheries areas and these will accommodate bicycles, motorcycles and public transport.

Impact on small businesses: Salt production is the most commonly reported small business that will be impacted, followed by trading stores and other small businesses. Operations are generally small and informal. A package that recognizes loss of assets and improvements; costs of re-establishing at alternative locations; and any loss of income, will be negotiated on a case-by-case basis. In the event salt producers are unable to re-establish, they will be offered training and access to alternative livelihoods.

Relocation of cemeteries and graves: The Grave Relocation Action Plan prescribes activities, roles and responsibilities for engaging with next of kin and determining, which graves can be retained in situ (with appropriate protection) and which will need to be relocated. The Grave Relocation Action Plan also describes procedures to be followed for the exhumation, transport and re-interment of human remains. A new cemetery will be constructed at the replacement village. Site selection and design of the cemetery was carried out in consultation with Community Resettlement Committees (CRCs) and religious leaders.

Loss of religious buildings: In Quitupo, there are three community mosques that will be lost as a result of the development of the Project. As a mitigation measure three replacement mosques will be constructed in the replacement village for community use. Sites for these have been agreed with religious leaders.

Loss of sacred sites: A total of eleven sacred sites are located within the DUAT. Five of these the Project will not be able to be preserve them. The sites that will be lost include two graves of local historical significance, two trees that collect water attributed with healing properties and one sacred pool. To mitigate for the loss of these sites, the Project will undertake consultation with communities and/or site custodians (as appropriate) to agree an approach for relinquishing the sites, relocate and re-establish the historic graves sites if the community/keeper so choses or facilitate any traditional or religious ceremonies associated with the loss or relocation. The remaining three sites untouched by the Project will be fenced and communities will be allowed to periodically visit them for limited periods subject to conditions to ensure the safety and security of visitors.

Loss of intangible cultural resources: Intangible goods may include the cultural heritage of families. In some cases, connection with ancestors is associated or maintained through a particular place where ceremonies can be performed. Displaced families and communities may lose access to areas they had previously used to commune with their ancestors. To mitigate the effects of losing access to and use of such places, the Project will agree with Quitupo and Senga families what ceremonies need to be performed prior to the resettlement. Senga will also be consulted concerning the ceremonies required for the re-organization of their ancestral hosts to accept the entry of the Quitupo families and their ancestors. The Project will pay reasonable costs.

Managing relations between hosts and resettled communities: The resettlement process is taking settlements that were dispersed prior to resettlement and consolidating them into the territory of a host community. This will increase competition for agricultural land and natural resources. It could also lead to disagreements about land boundaries, leadership validity and the sharing of social infrastructure and

services. General resentment could also arise due to disparities in the quality of housing and infrastructures in the replacement village compared to adjacent villages. All these factors have the potential to lead to social and cultural conflicts. In order to *manage the risk of conflict*, the Project will undertake to establish a Community Grievance Mechanism, negotiate an intercommunity agreement between Senga and Quitupo that stipulates the establishment of a regular forum for harmonizing relations and addressing concerns between the four communities – Quitupo, Maganja, Senga and Mondlane. The project will also set the rules for accessing agricultural and foraging land, and the use of social infrastructure and services, land boundaries and Leadership structure and responsibilities

***Increased pressure on forest resources in host and displace communities;*** Households and communities will lose 5,663 ha of bush-and fallow land where they currently collect firewood and other natural resources. In order to continue foraging, they will have to forage in new areas, which will increase the pressure on the natural resources, especially if these areas are already foraged by other communities or households. *Mitigation measures* will include supporting delimitation of community natural resource areas for Senga, Maganja, and Mondlane which, subject to Government approval, will be registered to provide those communities with recognized tenure, establishment of a Community Development Fund (CDF) in recognition of each communities' relinquishing of access to natural resources; and support of a program to promote the use of more efficient stoves to help reduce the consumption of firewood.

***Increased pressure on other agricultural land in other areas;*** The District Government is responsible for making available replacement agricultural land for those displaced by the Project. As far as possible, land will be allocated from unutilized bushland to avoid further physical or economic displacement. Mondlane had been approached about providing replacement agricultural land for Project displaced households. As a *mitigation measure*, displaced households and their hosts will be eligible to participate in the Project's agricultural livelihood restoration programs which will focus on improving and intensifying the productivity of smaller agricultural plots.

***Increased fishing and intertidal pressure on marine resources in other areas;*** As a result of construction phase MEZ and operation phase SZ, fishers and intertidal collectors will lose an area equivalent to about fifteen percent of Palma Bay, which will be excluded from livelihood use. Fishermen and intertidal gatherers will have to undertake their activities in other areas. These alternative fishing areas will experience an increased pressure from the additional individuals who will be fishing or collecting there. In order to offset the increased pressure on the alternative fishing areas, the Project is proposing various livelihood programs and road infrastructure. Road access to Maganja Velha will be improved in order facilitate access to alternative fishing grounds outside of Palma Bay.

***Risks from Project induced in-migration;*** Large projects often have a 'honey pot' effect whereby people from surrounding districts, provinces and regions are attracted to the project vicinity to take advantage of the economic and employment opportunities arising from the project. While this Project Induced In-migration (PIIM) is unrelated to the resettlement program, the presence of in-migrants can present a risk to successful resettlement and livelihood restoration. To reduce or minimize in-migration risks, the Project is preparing a comprehensive Project Induced In-Migration Management Plan. The Plan will outline Project measures like supporting a Government program to issue national ID cards to current residents to aid in distinguishing Afungi residents from in-migrants and also monitor local market prices and vulnerable households for any hardships. In addition to other measures Government declared the 06 November 2017 as the cut-off date to define those eligible for compensation to exclude opportunistic settlement.

## 6. Compensation Entitlements

**Eligibility Criteria;** Eligibility categories for compensation have been defined based on the findings of the census, socioeconomic survey, asset survey, fisheries monitoring and vessel owner registration. Categories of people affected by Project activities will include, but will not be limited to the following:

- Households that will be physically displaced as they currently live within the DUAT;
- Households that will be economically displaced as they have assets (including rights to agricultural land, fallow or bush) within the DUAT;
- Households that will lose a structure from which they are operating a small business;
- Individuals or entities owning religious buildings (mosques, churches) used by the public;
- Households or communities that are losing cultural heritage sites, sacred sites, graves or cemeteries;
- Communities experiencing loss of, or restrictions of access to some or all of their common resources (for example intertidal areas, fisheries, and firewood);
- Individuals with third party proprietary interests in use of land or structures (e.g. tenants with formal or informal agreements; and sharecroppers);
- Households or individuals losing access to fishing grounds or intertidal areas temporarily disrupted or degraded by Project activities; and
- Households or individuals that lose access to intertidal or marine areas within the MEZ and SZ.

A summary of entitlements is summarised in the entitlement matrix below:

<b>Category</b>	<b>Impact</b>	<b>Mitigation measure</b>
Loss of use of land	Permanent loss of use of land as a result of Project development	<ul style="list-style-type: none"> <li>• Provision of up to 1.5 ha (subject to availability) replacement agricultural land for each</li> <li>• Displaced household actively engaged in agriculture;</li> <li>• Participation in Agricultural livelihoods restoration programs specifically: improved cropping, crop storage, drying systems, efficient cooking and vegetable garden programs;</li> <li>• Participation in Alternative Livelihoods and Capacity Building Programs;</li> <li>• Security of tenure provided for agricultural land by the Government. The Project to bear all costs for surveying and issuance of the corresponding DUATs;</li> <li>• An establishment package for households to re-establish their agricultural activities in their new replacement agricultural area;</li> <li>• Cash compensation based on the Labor and Disturbance Rate per hectare for ‘agricultural land’ and ‘fallow’ to reflect households investment in clearing, cultivating and weeding of land lost as well as disturbance – for owners only.</li> </ul>
	Temporary loss of use of land (i.e. temporary construction laydown yards outside the DUAT)	<ul style="list-style-type: none"> <li>• The Project will provide compensation for any trees, crops or fixed assets cleared due to Project activities as defined in the RP. Payments will be at RP rates and will be repeated each year (not more than two years) or part thereof until the land area is returned to the household in a usable condition.</li> </ul>
Loss of structures	Loss of dwellings	<ul style="list-style-type: none"> <li>• Owner and resident of the house (includes wives in polygamous relationships that own their own dwelling): <ul style="list-style-type: none"> <li>- 800 m2 house plot at replacement village site with DUAT to be provided by the Government);</li> <li>- 70.78 m2 cement block and corrugated iron roofed replacement house;</li> <li>- Those losing houses larger than 70.78 m2 to be dealt with on a case-by-case basis;</li> <li>- Latrine;</li> <li>- External kitchen;</li> <li>- Plot registration;</li> <li>- Electrical connection (house owner to pay for electricity consumption through a prepaid meter);</li> <li>- Water connection (house owner to pay for water consumption);</li> <li>- Rainwater tank and gutters for rainwater collection;</li> </ul> </li> <li>• Long term tenants (subject to verification); <ul style="list-style-type: none"> <li>- 800 m2 house plot at replacement village site with DUAT to be provided by the Government);</li> <li>- 70.78 m2 cement block and corrugated iron roofed replacement house with ownership to the tenant;</li> <li>- Those losing houses larger than 70 m2 to be dealt with on a case-by-case basis;</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>- Latrine;</li> <li>- External kitchen;</li> <li>- Plot registration;</li> <li>- Electrical connection (house owner to pay for electricity consumption through a prepaid meter);</li> <li>- Water connection (house owner to pay for water consumption);</li> <li>- Rainwater tank and gutters for rainwater collection;</li> <li>• Owner of house where a long term tenant lives will receive cash compensation for lost structure;</li> <li>• Short term renters (&lt; 2 years) will be entitled to 3 months standard rental and will be left to make their own arrangements for replacement housing;</li> <li>• Once-off transport allowance for each household - lump sum cash payment of 6,000 MZN as well as providing transport; and</li> <li>• Participation in Alternative Livelihoods and Capacity Building Programs, specifically employment and skills training as well as participation in the efficient cooking program under the Agricultural livelihood restoration program.</li> </ul>
	Loss of ancillary structures (excludes external kitchens, washrooms, latrines and business structures)	<ul style="list-style-type: none"> <li>• Cash compensation at full replacement cost for loss of ancillary structures</li> <li>• Once-off transport allowance for each household - lump sum cash payment of 6,000 MZN; and</li> <li>• For physically displaced households (i.e. those receiving new houses in the replacement village), external kitchens, fences and bathrooms will be replaced 'in kind' with improved structures on each replacement house plot.</li> </ul>
Loss of trees and crops	Loss of annual crops	<ul style="list-style-type: none"> <li>• Cash compensation for all annual crops captured in the asset survey at full replacement cost as defined by the Project Schedule of Rates <ul style="list-style-type: none"> <li>- Owner and sole user receives all cash compensation;</li> <li>- Share cropper or renter receives cash compensation in the same share as agreed with the owner;</li> </ul> </li> <li>• Food coupons if necessary; and</li> <li>• Participation in Agricultural livelihoods restoration programs specifically improved cropping, crop storage, drying systems, efficient cooking program and vegetable garden programs.</li> </ul>
	Loss of perennial crops	<ul style="list-style-type: none"> <li>• Cash compensation for all perennial crops captured in the asset survey at full replacement cost as defined by the Project Schedule of Rates <ul style="list-style-type: none"> <li>- Owner and sole user receives all cash compensation;</li> <li>- Share cropper or renter receive cash compensation in the same share as agreed with the owner;</li> </ul> </li> <li>• Participation in Agricultural livelihoods restoration programs specifically: improved cropping, crop storage, efficient cooking program and drying systems.</li> </ul>

	Loss of fruit trees	<ul style="list-style-type: none"> <li>• Cash compensation for lost trees included into the asset survey at full replacement cost as defined by the Project Schedule of Rates</li> <li>• Provision of up to two saplings per tree compensated and affected;</li> <li>• Participation in Agricultural livelihoods restoration programs specifically: improved cropping, crop storage, efficient cooking program and drying systems.</li> </ul>
Loss of access to marine resources	Sea-based displacement impacts	<ul style="list-style-type: none"> <li>• Material assistance;</li> <li>• Participation in Fisheries livelihoods restoration programs;</li> <li>• Food coupons if necessary; and</li> <li>• Short-term compensation.</li> </ul>
	Loss of access to intertidal and shallow subtidal fishing grounds	<ul style="list-style-type: none"> <li>• Material assistance</li> <li>• Participation in Fisheries livelihoods restoration programs; specifically, enhanced fisheries and mariculture; alternative and improved fisheries; or post-harvest processing programs;</li> <li>• Participation in Alternative Livelihoods and Capacity Building Programs;</li> <li>• Food coupons if necessary; and</li> <li>• Improved access to alternative collecting areas.</li> </ul>
	Loss of access to traditional marine fishing grounds	<ul style="list-style-type: none"> <li>• Material assistance</li> <li>• Participation in Fisheries livelihoods restoration programs; specifically, enhanced fisheries, alternative and improved fisheries or post-harvest processing programs;</li> <li>• Participation in Alternative Livelihoods and Capacity Building Programs;</li> <li>• Food coupons if necessary;</li> <li>• Support to re-establish a fishing camp; and</li> <li>• Relevant fisheries infrastructure.</li> </ul>
Impacts on communal resources, facilities and infrastructure	Loss of community facilities and infrastructure	<ul style="list-style-type: none"> <li>• Seven communal water hand pumps;</li> <li>• Reticulated water to housing plots;</li> <li>• Primary school;</li> <li>• Type II health center;</li> <li>• Government administration building;</li> <li>• Police station;</li> <li>• Market place;</li> <li>• Bus station;</li> <li>• Community center; and</li> <li>• Sports fields.</li> </ul>

	Loss of access to communal natural resources	<ul style="list-style-type: none"> <li>Establishment of a community agreement with each community in recognition of its loss of rights to natural resources due to the Project development.</li> </ul>
	Severance of community tracks and paths	<ul style="list-style-type: none"> <li>The Project will construct a network of roads to link settlements to the north-south national highway and Palma, as well as to replace agricultural areas – these will accommodate bicycles, motorcycles and public transport in consultation with affected communities and the GoM.</li> <li>Communities will be able to submit proposals to the CDF to seek funding for a public transport enterprise, if this is a community priority.</li> </ul>
Impacts on small businesses	Loss of business structure by owner	<ul style="list-style-type: none"> <li>Cash compensation at full replacement cost for the lost structure, or the option to receive a new stall at the replacement village market area;</li> <li>Assistance to relocate equipment and stock to the replacement village;</li> <li>Once-off Transport Allowance for each household - lump sum cash payment of 6,000 MZN to facilitate the moving of stock and/or salvaged materials;</li> <li>A business stimulus package for all affected small business operators: <ul style="list-style-type: none"> <li>The value of compensation will be presented in coupons per month (as will be done for fisheries) to purchase equipment / stocks / other materials;</li> <li>The value of the coupon will depend on the size of the business;</li> <li>The value will represent the potential value of 'lost profit' calculated generously at thirty percent of the total market value of inventoried stocks;</li> <li>For the loss of profit from tea-house services, the average coupon value will be that of all the other businesses;</li> <li>If the owner feels that they sell more, they will need to show proof of sales;</li> </ul> </li> <li>A cash payment per month for the interruption of income as a subsistence source until the business structure is replaced (if replacement was chosen) – at least one month cash payment will be provided to all small business operators. The value of lost business opportunity in a month is equal to seventy percent of the value of the inventoried products for all businesses except very small businesses (under 15,000 or 20,000 MZN of stock), which will receive 100 percent of the value of the inventoried products;</li> <li>Involvement in business-related training such as accounting, stock management, use of bank, business planning, etc.</li> </ul>
Impacts on cultural heritage	Loss of community and family cemeteries and graves	<ul style="list-style-type: none"> <li>Provision of a cemetery location near replacement village;</li> <li>Transferal of graves to the replacement village graveyard, if the family chooses to. Costs to be paid by the Project;</li> <li>In-kind contribution to ceremonies or rituals;</li> </ul>

		<ul style="list-style-type: none"> <li>Graves and sacred sites that will not be inside the construction area but inside the DUAT will be fenced and communities will have access to these sites.</li> </ul>
	Loss of places of worship	<ul style="list-style-type: none"> <li>Replacement of three places of worship in the replacement village as per agreed designs based on existing areas (or larger);</li> <li>A plot earmarked for the future potential construction of one more place of worship /structure if required by affected communities; and</li> <li>In-kind contribution to official opening of replacement structures.</li> </ul>
	Loss of sacred sites	<ul style="list-style-type: none"> <li>Provide the necessary materials for traditional ceremonies to take place.</li> </ul>
	Loss of intangible cultural resources	<ul style="list-style-type: none"> <li>Ceremonies conducted prior to resettlement.</li> </ul>
Other Impacts on host and displaced communities	Managing relations between hosts and resettled communities	<ul style="list-style-type: none"> <li>Establishment of a Community Grievance Mechanism</li> <li>Through the CDF, make funds available for affected and host communities to undertake infrastructure improvements and other beneficial programs and</li> <li>Assisting the Government in the negotiation of an inter-community agreement between Senga and Quitupo that stipulates: <ul style="list-style-type: none"> <li>Establishment of a regular forum for harmonizing relations and addressing concerns between the four communities – Quitupo, Maganja, Senga and Mondlane.</li> <li>The rules for accessing agricultural and foraging land, and the use of social infrastructure and services;</li> <li>Land boundaries; and</li> <li>Leadership structure and responsibilities.</li> </ul> </li> </ul>
	Increased pressure on forest resources in other areas	<ul style="list-style-type: none"> <li>The Project is supporting the delimitation of community natural resource areas for Senga, Maganja, and Mondlane which, subject to Government approval, will be registered to provide those communities with recognized tenure;</li> <li>The Project will establish a Community Development Fund (CDF) in recognition for use by each community relinquishing access to land-based natural resources; and</li> <li>The Project will support a program to promote the use of more efficient stoves to help reduce the consumption of firewood.</li> </ul>
	Increased pressure on agricultural land in other areas	<ul style="list-style-type: none"> <li>Participation in Agricultural livelihoods restoration programs specifically: improved cropping through conservation agricultural principles.</li> </ul>
	Increased fishing and intertidal pressure on	<ul style="list-style-type: none"> <li>Participation in communal access Fisheries Livelihood Restoration Plans including fisheries habitat enhancement; shellfish habitat enhancement (bivalves); fisheries infrastructure; and support for fisheries co-management;</li> </ul>



	marine resources in other areas	<ul style="list-style-type: none"> <li>• Road development to Maganja Velha and Salama;</li> <li>• Participation in individual Fisheries livelihood restoration programs if necessary. These include enhanced fisheries and mariculture or alternative and improved fisheries programs;</li> <li>• Community Development Fund;</li> <li>• Material assistance if necessary.</li> </ul>
	Increased vulnerability as a result of displacement	<ul style="list-style-type: none"> <li>• Particular assistance will include some or all of the following, dependent on the household's or individual's particular needs: <ul style="list-style-type: none"> <li>- Facilitation with attendance at public meetings, agreement signing, and collection of compensation;</li> <li>- Legal assistance (if required, such as for establishing powers of attorney);</li> <li>- Priority in replacement house plot site selection;</li> <li>- Assistance with moving and health care during the move;</li> <li>- Fitting houses to meet special needs;</li> <li>- Priority access to mitigation and development assistance; and</li> <li>- Status of vulnerable persons to be monitored.</li> </ul> </li> </ul>

*Community Benefits:* The Project has committed to provide benefits in return for communities relinquishing rights of use over natural resources for Project use. Communities have made some preliminary requests about the kinds of projects they would like the Project to consider. The Project has committed to enter into an agreement with each of the communities relinquishing communal natural resources due to the Project's land use. Agreements will define community compensatory measures and benefits to offset any residual community impacts and losses that have not been addressed through other programs. Community requests will be managed through a Community Development Fund (CDF). The Project has committed to establish a Resettlement CDF for the benefit of communities experiencing physical and economic displacement and those hosting displaced people. The CDF will have three components; a sinking fund to support community livelihood, a revolving fund to support micro-finance and a future generation fund (endowment-type) to provide a revenue stream for future generations. The CDF will be community-needs driven with the key focus to support affected and host community livelihoods initiatives.

## 7. Compensation Framework

Compensation Rates: The total compensation packages that will be provided to households will differ depending on the magnitude of impact on the specific household. However, the rates payable will be standard and will be applied equally. All compensation rates within the RP will be reviewed annually and adjusted to take into account changes in market prices or cost of living as applicable. Rates will be maintained at equivalent to full replacement cost. Compensation will be disbursed prior to households incurring losses or impacts.

Houses, related structures and other property: The Project is obligated to provide those households that are physically displaced with a replacement dwelling (70 m<sup>2</sup> with three rooms) constructed with conventional materials and with a latrine and ablution facility a minimum of 10 m from the house. Each house will have access to two reticulated water points within their plot and will be connected to the electricity grid. Households, through a prepaid metering system installed by the Project, will pay the costs for the consumption of electricity and water. Cash compensation will be paid for the loss of structures ancillary to the house such as chicken coops or goat pens. Compensation rates have been calculated based on the aggregate cost of materials and labor (at local market prices). Households will have the opportunity to salvage materials from these structures prior to their demolition. These materials can then be transported using the transport allowance provided by the Project. As a principle, affected villagers will be given notice of not less than ninety days prior to site occupation to enable them to harvest any in-ground annual crops. In addition to cash compensation for fruit trees, the Project will provide two replacement seedlings to affected owners for each tree lost. Households could elect to initially only take fifty percent of their replacement seedlings.

Crops trees and tree rates: Tree and crop compensation will be based on rates published by the Ministry of Agriculture (Cabo Delgado, in January 2014) exceeded full replacement cost. This was determined using site-specific yields and local market prices. Tree compensation rates include provision for the loss of produce. The main reason for this finding was that tree and crop yields currently achieved on the Afungi Peninsula are consistently much lower than the average yields used to develop the Ministry of Agriculture compensation rates.

Labour and disturbance Compensation – Lost agricultural land: The Project intends to compensate farmers for labor invested in land improvements (for clearing, grubbing, tilling). The Project will be paying a Labor and Disturbance Rate (LDR) of 80,000 MZN/ha.

Replacement Agricultural land: The Project has requested the District Government to provide replacement agricultural land for those households who will lose their agricultural land. The District Government will source agricultural land outside the DUAT for those households who will lose agricultural land as a result of the Project's development.

Fisheries compensation: Impacts will be both short and long-term in nature, associated with construction and operation. There are no compensation principles or rates set out in Mozambican legislation specific for the fisheries sector. The Project therefore proposes a compensation framework for affected fishers that includes a combination of in-kind and cash elements, as well as longer-term livelihoods programs that should secure equivalent livelihood earning potential.

Within the classes of fishermen, the calculation of material assistance, transitional support and short term compensation entitlements (outlined above) require values for capital costs, gross daily revenues, crew share and an assessment of impacts. Material assistance will not be provided in cash – fishers will receive a set of coupons that will be redeemable through the material assistance vendor.

Fishers who are impacted by the Project but can still continue fishing will be compensated through the material assistance program. Transitional support will therefore not be made available to all receptors, and in the estimate of transitional support, a threshold cumulative impact of thirty percent due to any one Project phase is used. Only those receptors suffering impacts of thirty percent or higher, will qualify for transitional support. Replacement or additional gear will be supplied (through the material assistance program, supported by transitional support if necessary) to recompense unforeseen localized Project activities or direct damage by the Project to fishing vessels or equipment.

## **8. Replacement Village**

Location: The selected replacement village site is located in the southwestern corner of the DUAT between Senga to the west, Quitunda to the south and Missonobali to the north-northwest in the administrative control of Senga village. The site lies adjacent to areas of more productive soils, close to forest resources and sources of fresh water. The replacement village site is about 4 km southwest of Quitupo as the crow flies.

Site selection: Site selection from the Project's perspective was conducted based on a multi-criteria assessment that determined suitable areas for resettlement inside the DUAT area. The Project initially investigated the feasibility of replacement village sites outside of the DUAT area and through this process identified three potential areas for the location of the village(s). These potential sites were identified through the use of a multi-criteria assessment to the south of Quionga, around Bawala and to the south of Olumbe. Consideration was also given to the construction of more than one village, in order to ensure access to both terrestrial and marine resources. The potential host community of Senga was also consulted in detail and confirmed their willingness to accept the Option 1 location, on the understanding that the host community itself would benefit in some way.

Village Layout: The village layout presented to stakeholders was based on existing models for urban development, good practice, town planning and urban design principles, and sustainable development guidelines. The initial design was based on a review of the Palma District as well as the Afungi peninsula in terms of current village layouts as well as the socioeconomic profile of the physically displaced population to ensure efficiency, permanence and sustainability of the new functionality. The Project also considered various different layout patterns such as the grid, linear, circular, radial and integration layouts. The village layout presented to stakeholders was based on existing models for urban development, good practice, town planning and urban design principles, and sustainable development guidelines. The preliminary village layout was disclosed to the GoM and then discussed with host and displaced communities and their inputs were considered and incorporated into a final layout.

Replacement house design: The conceptual house design is based on the requirements of Decree N° 31 of 2012, relevant construction regulations, Consultations with relevant GoM Ministries and Departments at National, Provincial and District level between September 2013 and December 2014 and Consultations with resettlement-affected communities. The conceptual house incorporates a plot of 800 m<sup>2</sup>, a house size of 70.78 m<sup>2</sup> and utilities of prepaid type of electricity metre, reticulated water, a latrine and washing room. The GoM and affected communities visited the model house and made additional comments that were considered.

Infrastructure design: Infrastructure provision include a sealed access road from the new Project site access road (to be constructed) and internal stabilized replacement village roads, Extension of the 33 kilovolts (kV) National Electrical Grid (MdP to Palma line) to the replacement village and 33 kV internal reticulation with 240 V supply to each property. Village street lighting is also provided at certain main roads and crossings. Upon completion the electrical reticulation will be handed over to GoM. Including reticulated water supply to house plot boundaries and public

facilities (potable groundwater), an expectant mother's house that includes a kitchen and beds for the expectant mother's family and/or caregivers, houses for teachers, medical, and other GoM staff as required (six for educational personnel, four for health workers, two for police members, and two houses for Government officials), two play areas, one located in the north and another in the south of the village. a sports area located close to the primary school. The Proponents received the Environmental Impact Assessment Report (EIAR) approval letter for the Project referenced: N/Ref. N° 62/GM/MICOA/189/14 of 16th June 2014. During this time the Project had undertaken a site selection process for the replacement village site(s) mosques and a future church if physically displaced communities request a church.

Replacement Village Land use rights: It is proposed that the land where the replacement village is located, be detached from the Project's DUAT. The Government will issue DUAT titles for the physically resettled households' new residential plots and such titles will be provided to each household. Communal facilities will also be titled in the name of the community (included in the community agreements). The detachment of the land back to the State and its subsequent allocation to the final beneficiaries will be done by the Government and the DUAT titles corresponding to the new plots will be delivered in the presence of other parties as witnesses.

## **9. Replacement Agricultural Land**

Location community profile, culture and administrative framework: The Project collected information about the agricultural host population through participatory methods during the delimitation process undertaken by Forum Terra Nampula. The agricultural host community is Mondlane that is located in the Olumbe Administrative Post. Mondlane is located in the Olumbe Administrative Post. The villages have a community leader and each of the neighborhoods have a neighborhood chief. Only three community organizations were recorded in Mondlane. These organizations are the farmers' associations: Associação Nantchinhama 1 and Associação Samora Machel and the third is a Tufo cultural group. Observations of the Mondlane community indicate that the community has the same demographic profile as the affected population. This means that the Mondlane population also has a lot of youth under the age of fifteen. The people of Mondlane speak Kimakwe, Kimwane and Chimakonde. As is the case with the affected population, Mondlane residents are also predominantly Muslim.

Health: The Project's Health Impact Assessment Baseline Health Survey found that of the 37 children tested for falciparum malaria in Mondlane more than 70 percent of children tested positive. This high incidence of malaria was also found in Senga, Quitupo and Patacua. Parasites such as Trichuris trichiura, Hookworm spp. And Schistosoma haematobium was also present in more than 50 percent of children tested. In cases where a child had a fever, parents sought medical advice from the health facility in mostcases. However, they also consulted a traditional healer and made an herbal brew to treat the fever. The Baseline Health Survey also found that 32 percent of women tested positive for syphilis (n=31). Women sought the assistance of any skilled provider more often (45%) than a family member or friend (31%) during child birth. A nurse or midwife was consulted in just more than 28 percent of deliveries. These findings on the use of traditional medicines and practices were confirmed in the delimitation process. The Mondlane community had stated that they make use of western medicine but they also make use of traditional medicines and sacred sites in order to treat ailments.

Food security: Food security appears to be better due to the fact that communities have access to more natural resources in the area, such as lagoons, forests, hunting areas and better quality soils for agriculture. The soils in Mondlane also support the production of cereals unlike in Afungi around Quitupo.

*Livelihoods:* Much like in Afungi, Mondlane households also engage in agriculture, fisheries and trade for livelihoods purposes. As is the case in Afungi, households in Mondlane also use forest resources in their lives. This ranges from firewood for cooking purposes, timber and thatch for building materials, hunting, and others. The community did note that their resources have been declining at the community level.

*Housing:* Housing in Mondlane is very similar to that for the displaced and residential host households.

*Access to services/infrastructure:* Mondlane has had a primary school since 1976 (formal creation of the village) and a new primary school (EP1) was constructed in 2010. Households send their children to the secondary school in Palma Sede as they do not have their own. The village also has a first aid post and uses the Palma Sede Health Center when needed. Each of Mondlane's three neighborhoods has a mosque and the community has a Madrassa. There are eight public water points in Mondlane. However, only one of these is currently in a working condition.

*Transport and communication:* As in Afungi, people living in Mondlane use bicycles and boats as their means of transport. The local leadership is key in communications within the village and they mobilize the community for decision making. Verbal communication is the main means of communication throughout the village due to the low levels of literacy, as is the case in Afungi.

*Security of tenure:* It is proposed that the replacement agricultural land plots be demarcated, requalified and divided into plots for distribution to affected households. The detailed process for the land ownership transfer from the current communities to the affected households will be prepared by a certified surveyor to be hired by the Project and who will work in coordination with the District and Provincial Government.

*Implementation Steps:* The intent of the Project is to identify suitable agricultural areas that are unoccupied so as to avoid causing further physical or economic displacement. In the event that economic displacement cannot be avoided, any affected individuals or households will be offered compensation and resettlement assistance in accordance with this RP. Because Mondlane is acting as an agricultural host community they will receive the benefits through the CDF. Formalizing the cede of the demarcated land and ensuring security of tenure for the land provided for the displaced families will involve signing of Agreements (MOU) between District Government and Host Community, formal delimitation and registration of the land in national cadastre, site visits and consultation with affected communities and security of tenure for land in favour of displaced families. The project will assist the Government with technical and logistical support throughout the process.

## **10. Resettlement Livelihood Restoration Plan**

The goal of the Resettlement Livelihood Restoration Plan (LRP) is to provide Project-affected people with the opportunity to improve or at least restore their livelihoods and income levels. The objectives of the LRP are to: restore food security to at least pre-Project levels and to assist households to meet their own food requirements, diversify household income sources and introduce new cash-generating opportunities; extend livelihood opportunities to both men and women, ensure that vulnerable and disadvantaged households are given opportunities to participate and benefit from livelihood programs; and improve households' livelihood resilience and capacity to absorb or respond to shocks.

The Project will provide transitional support to displaced households for up to nine months while households relocate and re-establish livelihood activities if required. Affected communities

(particularly women) have, however, indicated that they would prefer not to receive transitional support. Their preference is to continue with their livelihoods as soon as they are displaced. The LRP and other compensation measures (such as replacement agricultural land) is the primary means through which household livelihoods will be continued. The LRP consists of a suite of programs<sup>2</sup> that will initially be delivered over a 36-month period.

The LRP will initially focus on three livelihood areas; Agriculture and foraging, fisheries and alternative, non-land based livelihoods and capacity building. Households to be physically displaced will have the opportunity to participate in all three programs. Economically displaced households will have access to some or all of the programs depending on the type and magnitude of livelihood impact they are exposed to. Households will be consulted on the type of program that they would like to participate in prior to the household experiencing displacement impacts. Throughout the livelihood program implementation, program delivery partners as well as the resettlement program's compliance unit, Independent Environmental and Social Consultant (IESC) and Resettlement Technical Commission will consult households on the effectiveness of the programs.

## **11. Consultation and Disclosure**

Consultation and disclosure during the resettlement planning phase was directed towards improving and facilitating decision-making; and creating an atmosphere of understanding that actively involved all interested and affected stakeholders (individuals, groups, local directly affected communities, government, civil society and NGOs). The stakeholders were identified as part of the Project EIA process and the wider stakeholder engagement program. The Resettlement team has also identified vulnerable groups through the resettlement census and focus groups specifically aimed at the identification of vulnerable groups.

*Community representation and engagement:* The Resettlement team facilitated the formation and capacity building of the village-level Community Resettlement Committees (CRC) in the five Project-affected villages of Quitupo, Senga, Maganja, Palma Sede and Mondlane. Each committee is made up of members elected by the community. The membership of the CRCs is entirely up to the community and they have the right to change their representatives if the communities feel that the CRCs do not represent their interests. The CRCs have been the primary interface between the community and the Project. They played an important role in the sensitization and mobilization process of the communities and encouraging their participation in various surveys and other activities for the resettlement planning process. They were also instrumental in the preparation for, execution of and briefing for the public meetings. Other stakeholders also used the CRCs to disseminate and collect information on the resettlement process. They were also used by these external stakeholders to facilitate decision making, which alerted the Project to the need for alignment of approaches and messages.

Another important role of the CRCs has been to ensure that local communities are involved in all stages of the resettlement planning process. This includes representing community preferences to the Project and other stakeholders and transmitting new Project-related information to communities. The feedback from the communities has been channelled by the CRCs to the Resettlement team and validated through open community meetings where all community members were encouraged to voice their feelings/opinions regardless of their socioeconomic status.

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<sup>2</sup> LRP programs include improved cropping, crop storage, drying systems, vegetable gardens, resource facility, foraging resource replacement, effective cooking, enhanced fisheries and mariculture, alternative and improved fisheries, post-harvest processing, fisheries habitat enhancement, shellfish habitat enhancement, fisheries infrastructure, support for fisheries co-management. Physically LRP programs include project employment, financial management, small business training, provision of identification documents and legal assistance.

Further efforts were made to hold focus groups with youth, women and other vulnerable groups including the elderly in order to ensure their participation. The Project posted minutes of all public meetings in each of the locations where the meetings had taken place for general information, and posted the answers to questions raised during these in the same place. The answers were also delivered through follow-up meetings to ensure they were understood and to allow community members to ask further questions to clarify the issues. The Project provided an email address accessible to any stakeholder with access to the internet, to raise questions or communicate with the resettlement team prior to or following the resettlement public meetings. The resettlement team followed and tracked questions or email enquiries, and provided responses via email. The minutes and response documents of the public meetings were posted on the Project website ([www.mzlng.com](http://www.mzlng.com)).

Legislated Commissions: Regular meetings were held with the Technical Commission for Resettlement Monitoring and Supervision and the Provincial Resettlement working group. These commissions were formed as a result of the promulgation of the Ministerial Diploma N° 155/2014 of 19 September. The Project's approach in consultation with these commissions was to present all information and proposals to the government and commissions prior to engaging communities. Once communities made a decision (such as the replacement site decision), it was presented to the Government and the commissions for endorsement.

Engagement with key stakeholders: Consultation and engagement with stakeholders was formal and informal. Informal engagement with stakeholders occurred on a continuous basis through the interaction that resettlement field team members have with stakeholders in their daily activities. These activities include surveys, demonstration plot maintenance, specialist studies, etc. The Resettlement team has held 831 meetings throughout the resettlement planning process. Resettlement engagement formally commenced following the official announcement of the resettlement planning process by the government on 10 August 2013 at a District Consultative Council meeting. Open community meetings within the main villages and their associated production centers followed this announcement to inform the communities of the Project's possible resettlement implications. The announcement meetings were held in the following villages Quitupo, Senga and Maganja as well as their production centers. Public consultation process was used to drive the participatory decision-making for: resettlement site selection; resettlement housing design; entitlements to compensation; design of appropriate compensation and assistance packages; mitigation actions reducing the impacts of physical resettlement; and livelihoods development strategies. Public meetings were used to provide external stakeholders and the Government with feedback on the consultation activities that informed the public meetings.

Consultation during implementation: The future Resettlement Engagement team will undertake consultation on the following themes during implementation of the RP, Disclosure about any additional measurement and survey activities and timeframes to affected households, the ground breaking, hand over and other ceremonies for the purpose of the resettlement process, the Community Development Fund design, participatory management and eligibility requirements, livelihoods and other pilot activities, replacement housing construction progress, replacement housing plot allocation, compensation entitlement framework content refreshment, intercommunity resettlement agreements, community resettlement agreements, household resettlement agreements, relocation schedule disclosure and household preparation, replacement house maintenance training program, resettlement implementation progress updates, monitoring and evaluation process and procedures and Grievance procedure.

Reporting and Evaluation: The Resettlement team has maintained a database that encompasses minutes and lists of engagements that have been undertaken; letters sent and received; and communication materials distributed throughout the resettlement planning process. The

Resettlement Implementation team will continue to maintain the database until resettlement completion. As part of overall environmental and social reporting, the Project will provide regular, publicly disclosed updates on community consultation and engagement activities and findings.

## **12. Community Grievance Mechanism**

The Project established a third party grievance process at the start of site improvement activities on the Afungi Peninsula in mid-2012. Afungi and Palma communities are aware of avenues for making a complaint to the Project and have regularly used the process since its inception. Subsequently, an updated Community Grievance Mechanism has been developed and will be included as part of the Environmental and Social Management Plan.

The Community Grievance Mechanism receives complaints from individuals, groups and organizations. It applies to complaints arising due to actions (or lack of action) of the Project or its contractors. The mechanism covers all locations where the Project has activities in Mozambique. The mechanism will be periodically reviewed and revised based on experience gained during its implementation. Some complaints, such as those related to rights to land and compensation may require inputs from CRCs, the District Administration or even the Technical Committee for Resettlement Monitoring and Supervision. These bodies may take some time to convene or mobilize. When delays appear likely, the Project will keep complainants regularly updated of progress and likely timeframes for resolving their complaint whilst working with the relevant entity to resolve the complaint. For complex matters, or where the parties are otherwise unable to agree on an acceptable resolution, the Project and the complainant may mutually agree to negotiation facilitated by a neutral third party.

The resettlement Manager has the overall responsibility for managing and directing the resettlement planning and implementation process including grievances associated with resettlement. He/she will be assisted by the community and Government Liaison Relations Coordinator, Community liaisons Officers, Village Liaison Officers and SEP forum.

Grievance training will be delivered to personnel based at Project sites and other relevant non-site personnel as part of their initial mandatory site induction and subsequent annual re-inductions. Community and key external stakeholders (including the CRCs and District Resettlement Committee) will also receive training about the Community Grievance Procedure. The Project has established a database for registering and tracking the resolution of complaints. The Grievance Coordinator will prepare monthly internal reports on the performance of the Community Grievance Mechanism. The IESC will make use of both quantitative and qualitative measures of the Community Grievance Mechanism effectiveness and outcomes.

## **13. Monitoring and Evaluation**

Monitoring and Evaluation activities will be undertaken as part of the resettlement implementation program. The key function of resettlement monitoring is to take into account the impact of unforeseen external factors on the effectiveness of the resettlement program. Such factors may include (but certainly are not limited to) natural disasters (e.g. droughts, flooding, crop failures, losses to wild animals); macro or regional economic change (e.g. high inflation, changes in commodity prices, changes in national or international market conditions, changes in taxation); political change (e.g. change in government, changes in policy settings); and local socio-economic change (e.g. cost of living changes; competition for services and natural resources; changes in the availability of land; supply, demand and pricing of housing and labor; in- migration pressures and



the like). Monitoring is critical for identifying such changes and identifying resettlement program adjustments when necessary. The monitoring framework is structured around input (progress) monitoring, Output (performance) monitoring, Outcome (impact evaluation).

Monitoring and evaluation will utilize both quantitative and qualitative techniques. Quantitative indicators will be used to track inputs, outputs and outcomes against baseline conditions. Qualitative indicators will be used to gauge displaced peoples' level of satisfaction with the resettlement program and to monitor concerns and gauge perceptions about the extent to which their living standards and livelihoods have been restored.

Evaluation at all levels will pay particular attention to the circumstances of vulnerable individuals and households to ensure that they do not experience hardship as a result of Project activities, and that they are able to participate and take advantage of resettlement opportunities.

The parties responsible for monitoring are the Project Resettlement team (internal), Technical Commission for Resettlement Monitoring and Supervision (government); and IESC (external, third party). The Resettlement team will also undertake internal outcome evaluation. This includes outcome evaluation specifically for livelihoods restoration and resettlement monitoring activities will be coordinated with the wider Project monitoring framework as described in the ESMP. Resettlement monitoring will be augmented by data gathered by other teams on local employment, local procurement, land use change and cost of living changes.

Throughout construction, the IESC will undertake six-monthly reviews that include discussions with displaced households, local leadership and Government. After each review, the IESC will prepare a report summarizing its findings and recommendations. The IESC will focus on evaluating outcomes and in particular the effectiveness of RP measures to improve Project Affected Persons standards of living and livelihoods.

*RAP Completion Audit:* It is expected that this will be achieved approximately 36 months following completion of physical relocation of households and after the replacement village construction workforce has been demobilized. It is proposed that the resettlement program's readiness for the resettlement completion audit be jointly assessed by the Project and IESC no later than 36 months following the completion of physical relocation. At this time, it will be mutually agreed to commence the completion audit, or otherwise review the programs readiness in a further twelve months. A suitably experienced, independent third party will conduct the resettlement completion audit. Once the completion audit has been concluded, and any corrective actions arising therefrom undertaken, the resettlement program shall be deemed complete. At this point, the Project will end its resettlement monitoring program.

#### **14. Resettlement Implementation**

*Implementation principles:* Principles in line with Decree N° 31/2012, of 8 August and IFC PS 5 have been adopted by the Project for the physical displacement of households as follows;

- No household will be physically relocated by the Project prior to the availability of suitable replacement housing and services, or as otherwise agreed with communities and Government.
- Fair and transparent procedure will be agreed with physically displaced households for the allocation of replacement houses and plots. The CRC will mediate to ensure fair allocation.
- Households will be assisted to move to their new house. So far as possible, the timing of relocation will take into account crop cycles and religious fasting periods.
- The Project grievance and dispute resolution mechanism will be available to all displaced households to ensure that any complaints, difficulties or issues are resolved in a timely manner (see Chapter 10: Community Grievance Mechanism).

- The Project will also ensure that each resettled household receives, through third parties (e.g. an NGO), the necessary training on the safe and hygienic use and maintenance of household utilities and house structure. The Project will also strive to provide households with culturally appropriate support prior to, during and following their relocation.

The principle Government, community and Project bodies involved in resettlement implementation are the Technical Commission for Resettlement Monitoring and Supervision, Provincial Resettlement Commission; Palma District Government, Project Resettlement team, Community Resettlement Committees and Affected households, individuals and small businesses.

The NGO, Forum Terra, has worked under the direction of the Palma District Administration to: mobilize communities (Quitupo, Maganja and Senga); capacitate them about their rights and responsibilities under the Land Act; and conduct participatory mapping of community resources and culturally significant features. Independent of the Government and Project, the NGO, Centro Terra Viva (CTV) has supported the community of Quitupo by providing capacity building, training and advice to Quitupo residents on their legal rights and obligations during the resettlement process.

***Implementation Schedule;*** The commencement of resettlement implementation was subject to satisfaction of the following conditions:

- Project Proponents having received their internal approvals and having received approval from their Area 1 and Area 4 Concessionaires, respectively, for the governance, implementation and funding of the RP and its activities;
- Project Proponents having agreed the appropriate venture structure to implement the RP as co-proponents;
- Project Proponents having received written approval by the District Government to the RP; and
- Execution by the relevant granting authority and Area 1 and Area 4 Concessionaire or relevant special purpose entity of the MOF Concession and LNG Marine Terminal Concession.

It is anticipated that RP implementation will take about sixty months (including replacement village construction and livelihood programs delivery).

Construction of the replacement village and housing will take about 23 months with a staged approach to assure that LNG Facility areas can be accessed progressively as early as possible.

Resettlement implementation will be considered complete upon achievement of a satisfactory resettlement completion audit report, prepared by an independent third party not more than 36 months after physical relocation has been completed.

***Resettlement Costs;*** The Resettlement budget stands at \$ 366.5 MM. All compensation will be paid directly to eligible households by the Project, either through bank accounts to be opened in the names of beneficiaries, through their existing bank accounts, or directly by hand, dependent on the amounts to be paid. Independent third parties will witness all payments to ensure that amounts are paid in full and without deduction. To the extent permitted by local custom, the Project will ensure that all payments are made into accounts opened in the names of both spouses in the case of married couples. Where the Project opens bank accounts on behalf of beneficiaries, the Project will cover reasonable transaction costs. The Project is supporting a program to facilitate local adults to obtain *bilhete de identidade* (national identity cards), which are required for opening of a bank account. Costs for implementation are inclusive of a 'location factor' to take into account the cost of preliminaries and transporting and stockpiling materials on a remote site.