Annex I

Initial Resettlement Plan
## Mozambique Gas Development Project
### Initial Resettlement Plan

## MOZAMBIQUE GAS DEVELOPMENT

<table>
<thead>
<tr>
<th>Revision</th>
<th>Date</th>
<th>Description</th>
<th>Prepared by</th>
<th>Reviewed by</th>
<th>Approved by</th>
<th>APC Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>15 Nov 13</td>
<td>Issued for Use</td>
<td>Marisa du Toit</td>
<td>Robert Barclay</td>
<td>Herman Roos</td>
<td>Cory Weinbel</td>
</tr>
</tbody>
</table>

**IP Security**: Confidential

**Total number of pages (including cover sheet)**: 50

**For Contractor Documents**

|--------------|-------------------------|-----------------|

**APC Document Number**

<table>
<thead>
<tr>
<th>Region Code</th>
<th>Project Code</th>
<th>Discipline Code</th>
<th>Originator Code</th>
<th>Document Type</th>
<th>Sequence - Sheet Number</th>
<th>Revision</th>
</tr>
</thead>
<tbody>
<tr>
<td>EA</td>
<td>MZ</td>
<td>SR0000</td>
<td>RRG</td>
<td>U14</td>
<td>00003</td>
<td>00</td>
</tr>
</tbody>
</table>
## REVISION MODIFICATION LOG

<table>
<thead>
<tr>
<th>Document Title</th>
<th>Initial Resettlement Plan</th>
<th>Rev. Date:</th>
<th>13/02/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>APC Doc. No.</td>
<td>EA-MZ-SR0000-RRG-U14-00003-00</td>
<td>Revision:</td>
<td>0</td>
</tr>
<tr>
<td>Contractor Doc. No.</td>
<td></td>
<td>Revision:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Page No.</th>
<th>Section</th>
<th>Change Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Table of Contents

PREAMBLE ........................................................................................................... 5  
ACKNOWLEDGEMENT ......................................................................................... 5  
ABBREVIATIONS AND ACRONYMS .................................................................. 6  
MICOA IRP COMPLIANCE CHECK LIST .............................................................. 7  
1. THE PURPOSE OF THE INITIAL RESETTLEMENT PLAN (IRP) .................... 10  
2. RESETTLEMENT GOALS AND PRINCIPLES .................................................. 11  
   2.1. RESETTLEMENT GOAL .................................................................................. 11  
   2.2. RESETTLEMENT PRINCIPLES .................................................................... 11  
3. PROJECT CONTEXT .......................................................................................... 12  
   3.1. PROJECT COMPONENTS INVOLVING LAND ACQUISITION ....................... 12  
   3.2. PROJECT ENVIRONMENTAL AND SOCIAL CATEGORY .............................. 14  
   3.3. CONSIDERATION OF ALTERNATIVES ...................................................... 14  
   3.4. SOCIOECONOMIC DESCRIPTION ................................................................ 14  
      3.4.1. Land Ownership ..................................................................................... 15  
      3.4.2. Natural Resources and Communal Use ................................................... 15  
      3.4.3. Living Conditions in Affected Areas ....................................................... 15  
      3.4.4. Local Governance Framework ............................................................... 17  
4. REGULATORY FRAMEWORK ............................................................................ 19  
   4.1. MOZAMBIAN LEGISLATION ....................................................................... 19  
   4.2. IFC PERFORMANCE STANDARDS ............................................................... 22  
   4.3. CUSTOMARY LAW .................................................................................... 23  
   4.4. NATURE OF RIGHTS AND ELIGIBILITY FOR COMPENSATION ............... 23  
   4.5. LICENSING AND PERMITTING FOR REPLACEMENT VILLAGE(S) ............ 24  
   4.6. LAWS AND REGULATIONS BINDING TO THIRD PARTIES (CONTRACTORS, IMPLEMENTATION INSTITUTIONS) ................................................................. 24  
   4.7. DISPUTE RESOLUTION .......................................................................... 25  
   4.8. GAP ANALYSIS ......................................................................................... 26  
5. RESETTLEMENT PROCESS .............................................................................. 27  
   5.1. RESETTLEMENT PLANNING ..................................................................... 27  
   5.2. RESETTLEMENT IMPLEMENTATION .......................................................... 29  
      5.2.1. Resettlement Agreements ..................................................................... 30  
      5.2.2. Replacement site(s) preparation ............................................................ 30  
      5.2.3. Handover Agreements for Communal and Public Facilities ................. 30  
      5.2.4. Moving to the Resettlement Site ............................................................ 31  
6. RESETTLEMENT ACTION PLAN FRAMEWORK ............................................. 31  
   6.1. IDENTIFICATION OF PROJECT AFFECTED POPULATION AND IMPACTS .................. 33  
   6.2. LEGISLATIVE AND REGULATORY FRAMEWORK AND STANDARDS ....... 34  
   6.3. COMPENSATION FRAMEWORK, ENTITLEMENTS AND ELIGIBILITY CRITERIA .... 34
6.3.1. Compensation Framework ................................................................. 34
6.3.2. Methods for Evaluation of Compensation ........................................ 34
6.3.3. Eligibility Criteria ................................................................. 35
6.3.4. Conceptual Entitlement Framework ................................................ 35
6.4. RESETTLEMENT AND LIVELIHOOD RESTORATION .............................. 36
6.4.1. Replacement Area Selection and Distribution of Land ......................... 36
6.4.2. Replacement Structures ................................................................. 37
6.4.3. Support for Livelihood Restoration ................................................ 38
6.4.4. Assistance to Vulnerable Persons and Groups .................................. 39
6.5. INSTITUTIONAL FRAMEWORK ............................................................ 39
6.5.1. Resettlement Steering Committee ................................................. 40
6.5.2. Community Consultative Committee ............................................ 40
6.5.3. Resettlement Team ................................................................. 42
6.5.4. Potential Non-Governmental Organization Implementation Partners ........ 43
6.6. DISCLOSURE, CONSULTATION, AND PUBLIC PARTICIPATION ................ 43
6.6.1. Community Consultative Committee Meetings .................................. 45
6.6.2. Qualitative Data Collection ................................................................. 45
6.6.3. Public Meetings .................................................................. 45
6.6.4. Government Participation ................................................................. 45
6.7. GRIEVANCE REDRESS .................................................................. 46
6.8. MONITORING AND EVALUATION ..................................................... 46
6.9. PLANNING SCHEDULE ................................................................. 48
6.10. INDICATIVE BUDGET ................................................................. 50

List of Tables

| Table 4-1: Mozambican Legislation Applicable to the Resettlement Process | 20 |
| Table 5-1: Resettlement Planning Process and Tasks | 28 |
| Table 6-1: Indicative Entitlement Framework (Not for Implementation) | 35 |
| Table 6-2: Indicative Schedule for the Completion of the RAP (Resettlement Planning) | 49 |

List of Figures

| Figure 3-1: Government Administrative Structure at Provincial Level | 17 |
| Figure 3-2: Typical Structure of District Government | 18 |
| Figure 3-3: Administrative Structure of Quitupo village | 19 |
| Figure 5-1: Resettlement Process | 27 |
| Figure 6-1: Resettlement team composition | 43 |
Preamble
AMA1 and eni are joint proponents for the Mozambique Gas Development Project. AMA1 has been leading the resettlement process to date and will continue to lead the process on behalf of the proponents with the close cooperation and involvement of eni.

Stakeholders are advised to refer to the English version of this document as it is the official document reviewed and approved by the Project Proponents.

Acknowledgement
This document has been compiled with contributions from the various groups in the Resettlement Team. The Project Proponents would like to thank the following companies for their contributions:

- RS Risk Solutions;
- MacAlister Elliott & Partners;
- Projectos e Estudos de Impacto Ambiental, Lda.;
- Womiwu Rural Development; and
- WorleyParsons RSA (Pty) Ltd.
Abbreviations and Acronyms

AMA1  Anadarko Mozambique Área 1 Lda
APC  Anadarko Petroleum Corporation
APE  Agentes Polivalentes Elementares
APs  Affected Parties
CCC  Community Consultative Committee
DINOPOT  Nacional de Ordenamento e Planeamento Territorial (National Department for Urban and Regional Planning)
DPCAA  Direcção Provincial de Coordenção da Acção Ambiental (Provincial Directorate for the Coordination of Environmental Action)
DUAT  Right of Use and Exploitation of Land
EIA  Environmental Impact Assessment
ENH  Empresa Nacional de Hidrocarbonetos
eni  Eni East Africa S.p.A.
FRV  Full Replacement Value
GIS  Geographic Information System
IFC  International Finance Corporation
IRP  Initial Resettlement Plan
LNG  Liquefied Natural Gas
LRP  Livelihood Restoration Plan
MICOA  Ministry of Coordination of Environmental Affairs
PS  Performance Standard
RAP  Resettlement Action Plan
RSC  Resettlement Steering Committee
UXO  Unexploded Ordinance
**MICOA IRP Compliance Check List**

<table>
<thead>
<tr>
<th>Initial Resettlement Plan Component</th>
<th>Section(s) in IRP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A brief description of the project and components involving land acquisition, thus justifying the resettlement.</td>
<td>Section 3.1</td>
</tr>
<tr>
<td>2. Alternatives considered to avoid or minimize resettlement.</td>
<td>Section 3.3</td>
</tr>
<tr>
<td>3. The project’s environmental and social category.</td>
<td>Section 3.2</td>
</tr>
<tr>
<td>4. The legal framework related to resettlement, land ownership, land expropriation and use, to analyze the link between national laws and regulations and, if financed by external funds, any policies of the financing institution and necessary permits and licenses to perform the operation, including the establishment of new settlements; the results of a study on the relevant legislation covering:</td>
<td>Section 4</td>
</tr>
<tr>
<td>a. the nature of the rights of people in terms of land use and the nature of their compensation, both in terms of the evaluation method and in terms of the method of compensation prescribed by law;</td>
<td>Section 4.4</td>
</tr>
<tr>
<td>b. the applicable legal and administrative procedures, including a description of resources available and within reach of displaced people in case of a judicial process, as well as the deadline for such procedures and any mechanisms for resolving conflicts that may be relevant to resettlement within the project;</td>
<td>Section 4.7</td>
</tr>
<tr>
<td>c. the applicable law (including customary law and traditional law) governing the rights of land ownership, assigning values to assets and losses, compensation and rights;</td>
<td>Section 4.1, 4.3 &amp; 4.4</td>
</tr>
<tr>
<td>d. laws and regulations relating to the institutions, agencies, NGOs, contractors, etc. responsible for implementing the resettlement activities; and</td>
<td>Section 4.6</td>
</tr>
<tr>
<td>e. gaps, if any, between local laws governing property rights and the resettlement policy of the donor / investor, if any, and the mechanisms to overcome such gaps.</td>
<td>Section 4.8</td>
</tr>
<tr>
<td>5. Principles and objectives governing the preparation and implementation of resettlement.</td>
<td>Section 2</td>
</tr>
<tr>
<td>6. Any legal steps necessary to ensure the effective implementation of resettlement activities within the project, including, as applicable, a process for recognizing claims to legal rights to land-including claims that derive from customary law and traditional use.</td>
<td>Section 4.1, 4.3, 4.4 &amp; 6.8</td>
</tr>
<tr>
<td>7. Systems of ownership and transfer of land, including an inventory of communal natural resources on which people base their subsistence and livelihood systems, communal use systems, without any related deeds (including fishing, grazing, or use of forest areas), driven by locally recognized mechanisms of land allocation.</td>
<td>Section 3.3</td>
</tr>
<tr>
<td>8. A description of the process of preparation and approval of the Resettlement Action Plans.</td>
<td>Section 5 and 6</td>
</tr>
<tr>
<td>9. A description of the affected areas, such as the living conditions of</td>
<td>Section 3.3 Affected</td>
</tr>
<tr>
<td>Initial Resettlement Plan Component</td>
<td>Section(s) in IRP</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------------------</td>
</tr>
<tr>
<td>the people in these areas, and if possible, an estimate of the population, affected assets, and probable categories of affected persons.</td>
<td>assets section 6.3.4</td>
</tr>
<tr>
<td>10. Eligibility criteria for various categories of affected people and the corresponding benefits.</td>
<td>Categories of affected people section 6.3.3</td>
</tr>
<tr>
<td>11. Methods of valuing affected assets.</td>
<td>Section 6.3.2</td>
</tr>
<tr>
<td>12. Institutional arrangements to comply with obligations and necessary human resources.</td>
<td>Section 6.8</td>
</tr>
<tr>
<td>13. Institutional Framework. Analysis of the institutional framework covering:</td>
<td>Section 6.8</td>
</tr>
<tr>
<td>a. identification of the entities (firms, contractors, NGOs, government agencies, etc.) responsible for providing resettlement services, which may have a role in project implementation;</td>
<td>Section 6.8</td>
</tr>
<tr>
<td>b. assessment of the institutional capacity of such agencies and NGOs;</td>
<td>Section 6.8</td>
</tr>
<tr>
<td>c. legal instruments (contracts, MOUs, agreements, etc.) that define the obligations and deliverables of each entity involved in the resettlement process;</td>
<td>Section 6.8</td>
</tr>
<tr>
<td>d. the value of services provided and the source of funds;</td>
<td>Section 6.8</td>
</tr>
<tr>
<td>e. evaluation of the technical capabilities of the entities to perform the functions assigned to them;</td>
<td>Section 6.8</td>
</tr>
<tr>
<td>f. any measures (including technical assistance) needed to strengthen the capacity of executing agencies and NGOs in the area of design and implementation of resettlement activities; and</td>
<td>Section 6.8</td>
</tr>
<tr>
<td>g. Provisions for the transfer to local authorities or to the resettled people themselves of the responsibility for managing facilities and services provided under the project and the transfer of responsibilities from other executing agencies, where appropriate.</td>
<td>Section 5.2.3</td>
</tr>
<tr>
<td>14. Draft of the Resettlement Action Plan to be prepared.</td>
<td>Section 6</td>
</tr>
<tr>
<td>15. Description of the implementation process, establishing the link between resettlement implementation and the works.</td>
<td>Section 5.2</td>
</tr>
<tr>
<td>16. Description of the mechanisms for compensation for losses.</td>
<td>Section 6.3.4</td>
</tr>
<tr>
<td>17. Estimated budget of resettlement to be included in the overall project cost.</td>
<td>Section 6.10</td>
</tr>
<tr>
<td>18. Mechanisms for public consultation and participation of affected people in the planning, implementation and monitoring of the resettlement process.</td>
<td>Sections 6.5, 6.7 (provision to include the CCC as far as possible) and 6.8 (description of extent of involvement)</td>
</tr>
<tr>
<td>19. Grievance mechanisms for affected people.</td>
<td>Section 6.6</td>
</tr>
<tr>
<td>Initial Resettlement Plan Component</td>
<td>Section(s) in IRP</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-------------------</td>
</tr>
<tr>
<td>20. Indicators for a baseline study that will feed a monitoring and evaluation system, to be monitored by the implementing agency or by independent auditors.</td>
<td>Section 6.7</td>
</tr>
</tbody>
</table>
1. The Purpose of the Initial Resettlement Plan (IRP)

Anadarko Moçambique Área 1 Lda. (AMA1) is a Mozambican registered company and a subsidiary of Anadarko Petroleum Corporation (APC). Following the discovery of important deposits of natural gas in the Rovuma basin by AMA1 (Area 1) and eni (Area 4), the Project Proponents, as operators of the Mozambique Gas Development Project (the Project), plans to construct onshore facilities on the Afungi Peninsula located in the Cabo Delgado Province of Mozambique. This will require resettlement of about 750 households.

The Project Proponents will be responsible for the management of a resettlement program for these affected households and for coordinating with the Government of Mozambique to ensure that they are granted rights of use over suitable replacement land. The onshore development of the Project will cover a 7,000 ha area and will involve physical and economic displacement of households.

The Project has prepared this Initial Resettlement Plan (IRP) to describe the approach, principles and procedures that will be followed to manage all unavoidable displacement. This IRP is the precursor to the preparation of a full Resettlement Action Plan (RAP). The RAP will be prepared in accordance with Mozambican legislation and the International Finance Corporation’s Performance Standard 5: Land Acquisition and Involuntary Resettlement (IFC PS 5). The purpose of the IRP is to provide preliminary information about Project resettlement to relevant government departments and stakeholders in support of the Environmental Impact Assessment (EIA). The IRP forms an annex of the EIA.

The IRP outlines the goals, principles, organization and procedures that will be used to manage all physical and economic displacement for the Mozambique Gas Development Project. The IRP includes the following elements:

- Resettlement goal;
- Legislative framework and international standards applicable to the resettlement;
- Principles for compensation, resettlement and other forms of resettlement assistance;
- Planning and implementation procedures;
- Framework for the participation of people affected by displacement (directly affected people, host communities, relevant levels of government) in planning, implementation, and monitoring;
- Eligibility criteria for compensation and other resettlement assistance;
- Organization, roles and responsibilities;
- Grievance mechanism;
- Internal and external monitoring;

---

1 APC is among the largest independent oil and natural gas, exploration and production companies in the world, holding its major onshore operations in the U.S. and also operating as a producer in the deep waters of the Gulf of Mexico and Ghana. APC also has licenses for research in deep waters in Brazil, China, Indonesia, Mozambique, New Zealand, East and West Africa.
2. Resettlement Goals and Principles

2.1. Resettlement Goal

The Project’s overall resettlement goal is to develop and execute resettlement in a manner that gives physically and economically displaced persons the opportunity to improve or at least restore their livelihoods and standards of living.

Physical displacement refers to relocation and the loss of shelter as a result of project-related land acquisition and/or restrictions on land use (IFC PS 5) or the resettlement of affected population from one location to another, and the restructuring or creation of comparable or superior living conditions (Decree 31/2012, of 8 August, Article 1(j)).

Economic displacement refers to loss of assets or access to assets that leads to loss of income sources or other means of livelihood as a result of project-related land acquisition and/or restrictions on land use. ‘Livelihood’ refers to the full range of means that individuals, families, and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade and bartering (IFC PS 5).

This IRP addresses both ‘tangible assets’ (individual or communal quantifiable assets such as crops, immovable property and improvements made to land) and ‘intangible assets’ (individual or communal unquantifiable assets such as communication routes, sacred forests, historical sites, burial places and access to transportation and basic services) (Decree 31/2012, Article 1(b) and (c)).

2.2. Resettlement Principles

The following principles will support and guide the achievement of the resettlement goal:

- Avoid and minimize the need for physical and/or economic displacement through alternatives analysis, siting, alignment, and other design modifications;

---

2 The Mozambique Gas Development Project Resettlement Principles were designed in accordance with Article 4 of Decree 31/2012. The social cohesion and social equality principles are covered by principles 5 and 6, the direct benefit principle is covered by 9, social equity principle by 4, non variation of income by 6, public participation principle by 2, environmental accountability by 4, and social responsibility by 5.
3. Project Context

3.1. Project Components Involving Land Acquisition

On 12 December 2012 a DUAT was awarded to Rovuma Basin LNG Land, Lda. (RBLL), a company jointly owned by Anadarko Moçambique Área 1, Lda. (AMA1) and Empresa Nacional de Hidrocarbonetos, E.P. (ENH). The DUAT was awarded for an area of 7,000 ha in the Palma area in Cabo Delgado Province. On 19 December 2012, the Minister of Agriculture approved an agreement for assigning rights to use the land between RBLL and AMA1. This gives AMA1 the right to develop the DUAT area on the Afungi Peninsula and transfers the responsibilities for resettlement to AMA1 and eni as Project Proponents. For the purposes of the IRP, the DUAT area will be referred to as the ‘Afungi Project Site’.

The Project is designed to collect, transport, process, and export (in liquefied form) natural gas in northern Mozambique. This process begins offshore where natural gas will be extracted from gas reservoirs below the seafloor via subsea wells. The gas will be collected and transported to the onshore LNG Facility by pipelines. Once onshore, the gas will be processed, converted to liquid (through cooling the gas), and stored in storage tanks. The liquefied gas will then be transported through insulated pipelines to an export jetty where it
will be loaded into LNG vessels to be transported to international markets. These specially designed ships maintain the LNG in a liquid state for sea voyages of several thousand kilometers.

The main components of the Project are grouped together and discussed as offshore, onshore, and near shore components of the overall Project. These are defined below:

- The Offshore Project components will consist of the Area 1 and Area 4 offshore production wells and the infrastructure necessary to develop the gas reserves. This also includes the offshore pipeline system, which will convey natural gas from the offshore production fields to the onshore facilities. This Project component does not require any physical resettlement and is unlikely to cause any economic displacement.

- The Onshore Project (terrestrial) components will include the LNG facilities and supporting infrastructure (e.g. worker accommodation facilities, construction areas, access roads, and airstrip). This Project component will involve physical resettlement of areas within the Afungi Project Site. It will also cause some economic displacement of households that cultivate land and use resources within the Afungi Project Site but whose dwellings are situated outside of the Project area.

- The Near Shore Project components will consist of the marine infrastructure within Palma Bay necessary for construction, operation, and maintenance of the Project. This includes logistics, support, and export facilities (e.g. shipping channels, materials offloading facility, and LNG Export Jetty). This Project component will not require any physical resettlement but might lead to some economic displacement (partial loss of access to coastal resources). Economic displacement might result from the imposition of safety exclusion zones around Near Shore Project components during Project construction and operations.

This IRP addresses individuals, households, and enterprises physically and/or economically displaced by terrestrial and near-shore components of the Project. Terrestrial components will be sited within the Afungi Project Site on the Afungi Peninsula (see EIA Figure 4.11).

The village of Quitupo is the only administrative village within the Afungi Project Site; the villages of Senga and Maganja are located in close proximity to the Afungi Project Site (at 0.88 and 1.88km distance, respectively). Senga and Maganja have some production zones within the Afungi Project Site. EIA surveys indicate that the potential physically displaced population (2012) is about 2,733 individuals that make up 743 households. The actual number of displaced households will be verified by a census that will be undertaken as part of RAP preparation.

Some communities will be affected by the near shore marine facilities (see EIA Figure 4.16) and associated operations. These have not yet been identified but will be determined by fisheries specialists in close consultation with affected communities and the government as part of RAP preparation.
For a detailed description of the Project please refer to Chapter 4 of the EIA. The following sections provide an overview of the Project’s categorization and a description of its socio-economic context.

3.2. Project Environmental and Social Category

The Mozambique Gas Development Project is a Hydrocarbon Sector project that has been categorized by the Ministry of Coordination of Environmental Affairs (MICOA) as a ‘type A’ project for EIA purposes (Letter ref. 325/DPCAA/CD/011, dated August 22, 2011 issued by the Provincial Directorate for the Coordination of Environmental Action (DPCAA) see Annex A of the EIA). A full EIA has been prepared in accordance with the requirements of Mozambican environmental law.

3.3. Consideration of Alternatives

IFC PS 5 has the objective of avoiding, and when avoidance is not possible, minimizing physical and economic displacement by exploring alternative project designs. Site planning and detailed layout for the Project is ongoing. As part of this process, the Project team will progressively refine the facilities’ footprint to avoid un-necessary resettlement and loss of productive land. The RAP will summarize Project consideration of alternatives and measures to avoid or minimize resettlement.

3.4. Socioeconomic Description

People to be displaced come from the Cimakwe, Kimwani, Shimakonde, Kiswaill and Emakhua ethnic groups. Households on the Afungi peninsula typically practice a subsistence lifestyle that integrates fishing and agriculture. Villages near the coast fish more than those inland. Fish is an important source of protein.

Agricultural production is predominantly for household consumption. Households utilize both dry, sandy machambas for growing cassava and maize as well as wetland areas for cultivation of rice, vegetables, sweet potatoes, and bananas. Each household typically also owns several fruit trees. Mangoes, cashew nuts, and coco palms are the most popular. Foraging for firewood, construction materials, and medicinal plants is also important. While there are some small enterprises, poor roads and transport services are a constraint.

The main settlement in the Project area is Quitufo, with a population of about 819 inhabitants. Some smaller settlements are found along the coastline. The settlement pattern of the area is typically rural. Villages normally have a relatively dense core (an inheritance from the ‘aldeamentos estratégicos’, i.e. the strategic villages imposed by the Portuguese army during the liberation war to control the rural population) from which the settlement disperses, as people seek to establish themselves closer to their agricultural land or sea-based resources. Within the Project area there is approximately 480 hectares of land used for various agricultural activities. Coastlines are extensively used for fishing and gathering.

The following sections briefly characterize socio-economic conditions within the Afungi Project Site. Information is derived from EIA baseline studies and preliminary data gathered
by the Project resettlement team. A detailed description of the Project area’s socio-economic context is available in Chapter 9 of the EIA.

3.4.1. Land Ownership

On the Afungi Project Site, households’ rights to land are generally derived from their occupation and use of the land for a period of more than 10 years. Mozambican Law recognizes this type of tenure (see Section 4.4).

3.4.2. Natural Resources and Communal Use

The affected communities use forests and grazing areas for their livelihood strategies. Forests provide medicinal plants, firewood, wild fruits, and timber for construction. No communal agricultural land exists.

The sea and the intertidal area are important resources widely used by local communities. They provide important dietary supplements such as fish and molluscs, and enable fish drying and selling, and other income-generating activities. There are also communal assets such as sacred sites and graveyards, which play an important role in the community life.

3.4.3. Living Conditions in Affected Areas

The Afungi Project Site includes the village of Quitupo and its production zones (Quitunda, Barabarane, Milamba and Ngodji) as well as some production zones from the villages of Maganja and Senga. The villages of Maganja and Senga fall outside the Afungi Project Site.

Residential Structures and Patterns

Residential patterns within the Afungi Project Site can be characterized as permanent or temporary. Most households in the Afungi Project Site are permanent residents. A smaller number of people live in the Afungi Project Site on a seasonal basis for either fishing or agriculture.

Local houses are typically constructed from mud-brick with thatched or corrugated iron roofs. The style of the homes allows for easy expansion and enlargement of dwellings. Cooking and ablution activities are conducted outside of the main dwelling. Infrastructure supporting households is rudimentary i.e. water from shared, shallow wells; basic or no sanitation; poorly formed roads and access tracks; and no electrification.

Education and Literacy

Literacy levels in the Project area are generally very low. Women, in particular, have very low levels of education and 92 percent are illiterate. Adult Literacy and Education (ALE) programs are aimed at people who are not of school age and these are available throughout the country. In the Afungi Project Site, however, only one village, Senga had an ALE program. In Quitupo and Maganja the programs have been discontinued due to a lack of available teachers. Some of those who have attended the ALE classes have dropped-out due to the demands of subsistence activities which take priority during preparation of land or harvesting.
Health
Access to health services in the Project area is poor. Health care facilities are only available in Palma Town and Maganja village (Type II and Type I Health Care Centers, respectively). This means that for the majority of the population who live in the Afungi Project Site, the available health care units are far from their area of residence. A significant problem for the population is lack of transportation to travel to the health post/center. Despite this, the surveyed population expressed a great deal of confidence in the health care system as the first treatment option in the event of illness.

Agriculture
The most commonly grown crops are maize, cassava, peanut and beans. These are cultivated on higher ground with sandy soils of low nutrient status. Rice, sweet potatoes, and horticultural products are cultivated in the lowland areas, generally located along drainage lines and the alluvial plains of rivers and streams where soils are typically rich in nutrients.

Land is cultivated in a rain-fed regime over two seasons. The first season begins around October to November when plots are prepared for food crops as maize, rice and beans, and the second from March to April to prepare for sweet potato and vegetables. Manual watering is practiced in lowland areas.

Each household is responsible for their own production with all production activities undertaken by members of the household. Women are most active in crop farming and generally tend to their crops on a daily basis. Production for each household takes place in three general areas:

- **Machambas** – land granted by the chief of production and recognized by the village where a form of slash and burn agriculture under rain-fed conditions is practiced. Cropped areas are rotated so a household does not cultivate all its area at any one time;
- **Wetland plots** – many villages have access to a wetland area. This has higher potential area productivity and crops such as rice, sweet potatoes, and bananas are grown. The size of each wetland plot is much smaller than the machamba, but more intensively cultivated, especially during the wet season; and
- **Near-house gardens** – many households cultivate an area near or around the homestead. Although this too is under rain-fed conditions, the proximity to the house ensures that cultivation is more intensive. Crops planted include cassava, maize, pineapples, beans, sweet potatoes, bananas, and fruit trees.

Within the Afungi Project Site, available agricultural extension services are limited. For households from the Afungi Project Site to access agricultural extension services they generally need to travel to Palma Town. Households make good use of the fruit harvested from household-owned fruit trees. Apart from storing dried cassava and some peanuts and bambara beans, little other processing of food takes place.

Livestock keeping is not widely practiced in the area. Cattle are not kept due to the high prevalence of the tsetse fly. Most commonly kept livestock include goats, chickens, and ducks. These are kept for subsistence use and culled for special occasions.
Fisheries
Small-scale fishing is practiced by the communities along the coast and along inland waterways, where catches are used for consumption as well as for sale. This constitutes the second most important activity in terms of household food security and cash income. In general, the majority of households are involved in subsistence fishing oriented towards home consumption. Commercial fishing is largely undeveloped.

Commercial Activity
A weak commercial network, both formal and informal, characterizes the Afungi Project Site. In the villages of Maganja and in Nsemo, there is a market area with some informal commercial establishments. This market is reliant on sea transportation routes that link it to the north and south of Cabo Delgado Province. In Senga and Quitupo there are only a very few isolated local stalls.

3.4.4. Local Governance 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 comprises several 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 Heads (Chiefs) of Locality. Each Locality, finally, comprises several villages (see Figure 3-1 below).

FIGURE 3-1: GOVERNMENT ADMINISTRATIVE STRUCTURE AT PROVINCIAL LEVEL
The Project site falls within the Administrative Post of Palma and the Locality of Mute. The District of Palma is divided into four Administrative Posts and six Localities. The District Administrator, aided by a Permanent Secretary, and Directors of District Services, directs the District.

Figure 3-2 illustrates typical structure of District Government, according to Decree 6/2006, of April 12.

**FIGURE 3-2: TYPICAL STRUCTURE OF DISTRICT GOVERNMENT**

The administrative structure at local level includes both formal and traditional authorities. There are no formal government structures below village level. Below village level, leadership is provided by community authorities (including traditional leaders selected according to custom), or elected community leaders. The authority of traditional and community leaders is recognized and maintained by the Government under Decree 35/2012, of 5 October.

Community leaders can make decisions about various community issues, including allocation of land. In essence, however, their duties are focused on conflict resolution within the community and the preservation of customs and traditional ceremonies, thus helping to maintain the cultural and social cohesion of the group.

The only large village existing inside the Afungi Project Site is Quitupo. The village controls administratively a number of Zonas de Produção (Production Zones), small settlements scattered through the area. Figure 3-3 indicates the community leadership structure of Quitupo village.
FIGURE 3-3: ADMINISTRATIVE STRUCTURE OF QUITUPO VILLAGE

4. Regulatory Framework

The Resettlement Action Plan will be prepared in accordance with the requirements of the following:

- Mozambican Law;
- Customary Law (norms and practices) of the affected communities; and
- IFC Performance Standards on Environmental and Social Sustainability.

4.1. Mozambican Legislation

The main Mozambican legislation relevant to the resettlement process is:

- Environmental Regulations for Petroleum Operations (Decree No. 56/2010, of 22 November);
- The Regulation on The Process of Resettlement Resulting from Economic Activities (Decree No. 31/2012, of 8 August);
- The Land Law (Law No. 19/97 of 1 October) and The Land Law Regulations (Decree No. 66/98, of 8 December) as amended by Decree No. 1/2003, of 18 February;
The Law on the Protection of Cultural Heritage (Law No. 10/88, of 22 December) and The Regulation for the Protection of Archaeological Heritage (Decree No. 27/94, of 20 July);

The Territorial Planning Law and Regulations (Law No. 19/2007, of 18 July and Decree 23/2008, of 1 July);

Directive on the Process of Expropriation for the Purposes of Land Planning (Ministerial Diploma No. 181/2010, of 1 July); and


Table 4-1 provides a brief summary of the pertinent legislation and how it is applicable to Project resettlement.

**TABLE 4-1: MOZAMBIAN LEGISLATION APPLICABLE TO THE RESETTLEMENT PROCESS**

<table>
<thead>
<tr>
<th>Legislation Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Regulations for Petroleum Operations</td>
<td>The Regulation stipulates the procedure for obtaining an Environmental License as a prerequisite for a project such as the Mozambique Gas Development Project. The regulation also stipulates the requirement for public participation as part of the environmental impact assessment process. Article 19 requires public participation to take place for projects that classify as Category A and Category B activities. Public participation is part of the EIS process but disclosure and consultation specifically with resettlement-affected households will take place as part of RAP planning and implementation.</td>
</tr>
<tr>
<td>The Regulation on the Process of Resettlement Resulting from Economic Activities</td>
<td>The Regulation prescribes basic rules and principles to be applied to the resettlement process (Arts. 2-5) and the requirement to establish a ‘Technical Commission’. The composition and responsibilities of the Commission are defined (Arts. 6-8). It defines the rights of the affected population (Art. 10); roles and responsibilities of the proponent (Art. 11) and those of central and local government (Art. 12). Requirements for public participation (Art. 13) and information disclosure (Art. 14) are also described. The Regulation prescribes requirements for drafting and approval of a resettlement plan (Arts. 9, 15 and 19-21) as well as the required characteristics of replacement housing, facilities, and utilities (Arts. 16-18). Sanctions for breaches of the Regulation are outlined (Arts. 24-28).</td>
</tr>
<tr>
<td>The Land Law</td>
<td>The Land Law prescribes that all land is State property and cannot be sold, transferred, mortgaged or pledged (Article 3). Access to land by individuals or legal persons is obtained</td>
</tr>
<tr>
<td>Legislation Name</td>
<td>Description</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Initial Resettlement Plan</td>
<td>through the acquisition of rights to use and benefit from land (DUATs). The Law also recognizes customary means of acquiring rights to use, exploit or occupy land by Mozambican citizens (regardless of gender) and local communities (Articles 10 and 12). When occupation is according to either customary norms or possession in good faith, extending for more than 10 years (Article 12(b)) its legitimacy is recognized by the law. Thus, the absence of formal title (DUAT) issued by the cadastral services does not imply any loss of rights over communal lands. The law also provides for land use rights to be revoked with fair compensation for reasons of public interest (Article 18b). While referring to the need to pay compensation for expropriated land, the law does not provide any details on applicable principles, eligibility, basis for compensation, procedures to be followed or roles and responsibilities.</td>
</tr>
<tr>
<td>The Territorial Planning Policy</td>
<td>The Policy aims to create a favorable environment to ensure that new investments result in direct benefits for both the developer and local communities, with the integration of new opportunities for economic development in rural areas as essential.</td>
</tr>
<tr>
<td>Territorial Planning Law and Regulations</td>
<td>The state has the authority to requisition land and expropriate property when it is in the public interest, such as investment in public infrastructure and for economic development with significant positive social impacts. Expropriation for the public interest gives rise to the payment of fair compensation for the loss of tangible and intangible goods and productive assets as well as the disruption of social cohesion. Compensation should be paid before the transfer or expropriation of property and assets, which should not only cover the real value of expropriated assets, but also damage and loss of profit. Fair compensation should be paid prior to the transfer of ownership or possession of the property to be expropriated. Compensation may be in cash or, in the case of buildings, in kind.</td>
</tr>
<tr>
<td>Directive on the Process of Expropriation for the Purpose of Land Planning</td>
<td>Authorizes expropriation for the purpose of land-use planning. No specific procedural mechanisms, other than authorizing in principle expropriation for the purpose of land-use Planning.</td>
</tr>
<tr>
<td>The Petroleum Law and the Petroleum Operations Regulations</td>
<td>The Petroleum Law (Article 17.f and 20) and the Petroleum Operations Regulations (Article 23) allow for the withdrawal of the right to use and benefit from land in the national interest following the payment of fair compensation. Damages or</td>
</tr>
</tbody>
</table>
4.2. IFC Performance Standards

It has become accepted practice in Mozambique that the standards on involuntary resettlement provided by institutions such as the World Bank, Equator Principles banks and, in particular, the International Finance Corporation, are followed because of the safeguards these provide to affected parties.

The Project Proponents will likely seek financing for the Mozambique Gas Development Project and will therefore align its environmental and social management with the IFC Performance Standards on Environmental and Social Sustainability (2012). The following IFC standards are relevant to resettlement planning and implementation:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 4: Community Health, Safety and Security;
- PS 5: Land Acquisition and Involuntary Resettlement; and,
- PS 8: Cultural Heritage.

PS 5 Land Acquisition and Involuntary Resettlement is the core IFC Performance Standard that will be applied to Project displacement.
4.3. Customary Law

The Constitution of the Republic of Mozambique 2004 recognizes Customary Law as a legitimate source of rights. In the case of land rights, these informal land tenure rights are incorporated into the land laws (Land Law, Art.12). This implies that, especially in the case of rural resettlement, the resettlement process needs to take into account the norms espoused by the affected communities in terms of land tenure and land allocation mechanisms.

The absence of registration does not prejudice the holders of rights according to custom (local communities) or good faith occupants for at least ten years. Hence, in addition to compliance with the Land Law, the Project will follow a participatory approach prescribed in the Land Law Regulations and Technical Annex to ensure that local communities and good faith occupants take an active part in the identification and demarcation of boundaries and the reallocation of land rights. The Project Proponents will comply with these regulatory procedures of information dissemination and phased consultation with affected communities, including focus group meetings with community leaders.

4.4. Nature of Rights and Eligibility for Compensation

As all land vests in the State and cannot be owned or alienated, the only types of rights that can be obtained and thus expropriated and compensated are various forms of use and benefit rights.

There are three main tenure types (right to use and benefit (DUAT)):

i) Customary tenure;
ii) Occupation in good faith for at least ten years; and
iii) Formal title through application and registration.

National individuals and corporate persons, men and women (equally), as well as local communities may hold DUATs. National individuals and corporate persons may obtain the rights individually or jointly with other individuals and corporate persons by way of joint title holding. The rights exercised by local communities adhere to the principles of joint title holding for the purpose of the law. Individual members of a community may request and acquire individual titles after partitioning from the relevant community land, in a process called individualization.

Although a DUAT holder cannot own the land, he or she can own any fixed assets on that land including houses, buildings, infrastructure, trees, crops, and other improvements. Regardless of how it was acquired, DUATs are recognized by Mozambican law as real rights to a plot of land and are transmissible as part of transactions involving the fixed assets upon the land. The transfer of infrastructure, buildings or improvements over a rural tenement, however does not imply the automatic transfer of the DUAT. In order for that DUAT to be transferred along with the buildings, the transfer must be approved by the entity, which approved the DUAT. The transfer of infrastructure, buildings or improvements erected in an urban tenement entails the automatic transfer of the DUAT.

At the simplest level, these rights include:

- The right to occupy a dwelling;
• To rent or lease the infrastructure as a residential dwelling or business;
• To carry on business (subject to authorization and exploitation plan); and
• The right to work the land individually or jointly and to enjoy the yield from the land.

A person or community claiming to be the lawful occupant of a piece of land may use any of the following methods to prove an existing right:
   i) Present a registered title;
   ii) Offer testimony of members (both men and women) of local communities; or
   iii) Obtain expert or other technical evidence.

The project will record and process all the information gathered during the census, as informal mechanisms of transfer are anticipated to be prevalent. The project will further consider actual loss and tenure security as determinant to design eligibility criteria that strike a balance between informal practices and the law, such as to recognize the equal status of men and women.

4.5. Licensing and Permitting for Replacement Village(s)

The following permits and licenses will be required for the replacement village(s):

• Environmental license according to the Environment Law, 20/97, Article 15;
• Land Use Rights (DUAT) according to the Land Law, for communities or households (as per agreement with the Government of Mozambique) to be resettled to the replacement village(s);
• Construction License for the replacement village(s) according to Decree 2/2004, of 31 March;
• A vegetation clearance license to clear land for construction activities according to Article 103 of the Regulation to the Forests and Wildlife Act (Decree 12/2002, 6 June); and
• Depending on the selected resettlement site(s), water use licenses might be required in terms of Article 18 of the Water Law, 16/91, of 3 August in the following instances: installation of reservoirs, planting of crops or felling of trees on the beds of shores of a water source, and where sand or clay is removed on the banks or shores of water sources.

4.6. Laws and regulations binding to third parties (Contractors, implementation institutions)

In order to ensure consistent application of the Mozambican Law and of the relevant IFC standards, the Project Proponents will contractually instruct all subcontractors and entities operating under their umbrella to comply with the referred legal and regulatory principles.

---

3 In terms of the Commercial Code, the proprietor of a commercial establishment may dispose of it through lease, usufruct or transfer, according to the calculation methods included in the Code (Article 71 and 72)
The IFC Performance Standards also provide for supply chain compliance and transparency, which will be monitored.

4.7. Dispute Resolution

There will be various opportunities and means for interested and affected persons with objections to the expropriation, compensation, and resettlement process to raise their objection and obtain legal redress. The most practical and appropriate dispute resolution mechanism will depend on the exact nature of the dispute, the phase of the resettlement process during which the dispute arises and the parties involved.

In law and in practice, disputes involving rural communities are primarily resolved through a participatory approach, which includes consultation, mediation, and arbitration. The 2004 Constitution recognized legal pluralism, and both statutory law and custom incorporate these methods.

As a first step towards conciliation, the Land laws and the Resettlement Decree prescribe several consultations between a project and land rights holders. These laws create mechanisms for participation in natural resource management, conflict resolution, boundary determinations, mapping (requiring consensus; Technical Annex), proving legitimacy of claims as well as verification and consultation by and with neighbors (Land Law, Article 13 and 24, Regulations, Article 27). As a matter of law, customary norms and practices may be used to this end.

The project grievance procedures will be accessible to any affected community member or aggrieved party. These procedures will be adapted to incorporate input from affected communities where applicable and in keeping with the law.

There are various avenues aggrieved parties can follow to access the legal system:

- The Law on Extra-Judicial Conflict Management (Arbitration Law, Law no. 11/99, of 8 July) recognizes conciliation, mediation, and arbitration as tools for conflict resolution. This is in keeping with the practice of a participatory approach, which affords relative flexibility, and ease of access to justice. This is generally considered the more desirable way to resolve disputes between investors and communities. Although arbitration does not usually afford appeal opportunities, both parties may have input in the choice of the adjudicating chair(s), and it is possible to refer an arbitration award to a judicial court in connection with an application for setting aside or enforcing the arbitral award;

- The judicial courts system applies formal law and has an adversarial nature (winners and losers). In terms of the Law of the Judicial Organization, Law no. 24/2007, of 10 August (Lei da Organização Judiciária) the District Judicial Courts would be the courts of first instance, followed by the Provincial Judicial Courts that can adjudicate appeals from the District Judicial Courts, the Superior Courts of Appeal and finally the Supreme Court that can adjudicate appeals from the lower courts;
• If the matter in dispute relates purely to an administrative decision taken by the Government in respect of the project, the Administrative Court could be approached to seek judicial review of the decision; and

• The Community Courts established by Law 4/92, of 6 May creates a system of unofficial justice. In Cabo Delgado, these courts are especially active and apply customary law though in compliance with the Constitution. These courts are, however not linked to the formal Judicial Courts system, and do not have appeal jurisdiction.

The 2004 Constitution, Article 81 introduced the right to class action, allowing citizens to seek indemnity for and protection of environmental and cultural heritage. Complementary legislation has yet to be passed to facilitate class actions.

4.8. Gap Analysis

Decree 31/2012, of August 8, is an important first step to regulate resettlement induced by economic activities. A further Government Directive is expected to clarify the application of Decree 31/2012, to further align Mozambican Law with IFC PS 5.

Some of the gaps that have been identified in this Decree include the following:

• Consideration of alternatives to avoid or minimize involuntary resettlement;
• Inconsistency in the consultation processes prescribed by the Resettlement Decree and that of the Land Law Regulations in terms of participation and representation, including for the participation of affected communities and marginalized or vulnerable groups (women, children, the elderly, people with disabilities);
• Adequate grievance mechanism that ensures consultation, responsiveness, timely feedback, and where appropriate access to justice;
• The prescriptions for replacement housing don’t consider alternative models for communities that might prefer design around communal use and occupation;
• Lack of clarity about access right to natural resources (forest resources, hunting, fishing);
• Proximity and rights of access to cultural assets; and
• Status of rights pending transfer.

Other pertinent legal gaps include a lack of details regarding the form of compensation in case of expropriation, means of calculating compensation (other than for crops), eligibility criteria, clear planning, implementation and execution criteria and standards.

To overcome these issues, the Project Proponents will incorporate a comprehensive gap analysis together with proposed measures to address the gaps in the design of its RAP, thus ensuring full compliance with IFC PS 5.
5. Resettlement Process

The resettlement process consists of two phases namely:

- **Planning Phase** during which data is collected, communities are engaged and replacement sites are selected and studied. The final output of this phase is a RAP that will be submitted to the Government of Mozambique and Project Lenders. It will be approved by the affected communities;

- **Implementation Phase** will commence after RAP approval and will commence with signing of household resettlement agreements, construction of replacement village(s), completion of physical relocation, and commencement of livelihood restoration programs.

Figure 5-1 indicates the principle activities during resettlement planning and implementation.

FIGURE 5-1: RESETTLEMENT PROCESS

The following sections briefly describe the tasks that will be undertaken in the abovementioned resettlement phases.

5.1. Resettlement Planning

Following submission of the IRP, and assuming the Project continues to be developed, the Project Proponents will prepare a RAP in accordance with Decree 31/2012, of August 8 and IFC PS 5. The RAP will be developed in close consultation with affected communities and in
cooperation with the Provincial and District Governments to ensure its alignment with Provincial and District development plans and strategies.

Principal tasks to be undertaken during resettlement planning and RAP preparation are summarized in Table 5-1.

**TABLE 5-1: RESETTLEMENT PLANNING PROCESS AND TASKS**

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Census</strong></td>
<td>Undertake a census to identify and record all people, households, and enterprises residing on the Alungi Project Site. Each surveyed household will receive a registration card. The census will be carried out by a team of enumerators under the supervision of a Resettlement Specialist and will have the participation of community leaders as witnesses.</td>
</tr>
</tbody>
</table>
| **Election of community representatives and set-up of resettlement bodies** | The following activities will be undertaken:  
  * Provide information on resettlement to affected people.  
  * Announce the ‘cut-off date’ and explain its significance.  
  * Assist communities to select representatives to participate in the resettlement planning process.  
  * Establish the resettlement committees (statutory and other) that will supervise and participate in resettlement planning, and implement, monitor and evaluate the resettlement process.  
  * Establish a grievance mechanism. |
| **Assets Survey** | Undertake a survey and inventory of all household assets (land, trees, crops, structures, wells, and the like) that will be lost to the Project. See Section 6.1 for further detail. |
| **Communal Asset Survey** | Undertake a survey and inventory of all communal and public assets (schools, health facilities, mosques, churches, sacred sites, graveyards, and the like). The communal asset survey will also identify the ‘owners’ or government authorities responsible for each asset. The communal asset survey will be carried out by a team of enumerators under the supervision of a Resettlement Specialist. A registered valuer will be utilized if required. |
| **Socio-economic Survey** | Conduct a socio-economic survey on a representative sample of affected households to define pre-project standards of living and livelihoods and to gain an understanding of households’ systems of production and income sources. Both quantitative and qualitative survey techniques will be utilized.  
  
  The socio-economic surveys will contribute to the Resettlement team’s understanding of local livelihood systems and appropriate mitigation measures. The socio-economic surveys will also be tailored to provide baseline information against which the effectiveness of post-resettlement livelihood restoration programs can be monitored. |
| **Design the Compensation Framework – valuation, eligibility and entitlements** | Based on the census, socio-economic surveys and asset inventories, the following activities will be undertaken:  
  * Develop criteria to define eligibility for compensation and other forms of assistance;  
  * Valuate land, crops, structures and other assets to be affected by land acquisition, including any communal property, social and physical infrastructure, and cultural heritage items;  
  * Develop compensation approaches – cash, in-kind, resettlement assistance; |
<table>
<thead>
<tr>
<th>Tasks</th>
<th>Description</th>
</tr>
</thead>
</table>
| • Develop an entitlement matrix;  
• Prepare household compensation and resettlement agreements; and  
• Prepare agreements to cover design standards, handover arrangements, equipment and staffing, and maintenance of communal and public facilities and infrastructure. | |
| Livelihood Restoration Plan | Develop livelihood restoration frameworks and plans covering agriculture, fisheries and non-land based livelihoods to ensure the improvement of productive strategies of physically and economically displaced communities. |
| Replacement Area selection and Replacement Area EIA | Consult with affected communities and coordinate with the District and Provincial Governments to identify, evaluate, and select a preferred replacement village site or sites. Activities will include:  
• Consult with affected communities to identify their preferences and requirements;  
• Develop a brief of requirements for the replacement site;  
• Identify and evaluate potential replacement village site options;  
• Conduct detailed site investigations (e.g. geotechnical, water supply, agricultural suitability and the like) to confirm the suitability of the preferred site;  
• Consult with any host or receiving communities;  
• Survey host communities with the same instruments as were used with the resettlement-affected households;  
• Develop housing designs in consultation with affected communities;  
• Develop a replacement site master plan that defines the village layout and supporting land uses;  
• Develop architectural and engineering designs for tender of replacement village construction; and  
• Develop replacement village construction budgets and schedule. |
| Vulnerable peoples program | Identify vulnerable groups and, where needed, develop measures to support them during resettlement planning, agreement negotiation, compensation disbursement, physical relocation, and subsequent livelihood restoration. |
| Resettlement Action Plan | Prepare a RAP document in accordance with Mozambican legislation and IFC PS 5. Reach agreement on the plan with affected communities. See Section 6 for an indicative RAP Table of Contents. |

5.2. Resettlement Implementation

Resettlement implementation will commence upon approval of the RAP by stakeholders (after a period of public disclosure) and by the Government of Mozambique. The following activities are included in the implementation phase:
• Signing of resettlement agreements;
• Payment of compensation payments;
• Replacement site preparation and construction of the replacement village/s;
• Physical relocation of households and businesses;
• Provision of resettlement assistance and transitional support;
• Handover of communal and public facilities;
• On-going information sharing with affected people with continuing opportunities for their participation and consultation throughout implementation of resettlement;
• Implementation of livelihood restoration programs;
• Regular internal and external monitoring and reporting;
• Complaints and grievance management; and
• Completion audit following a reasonable period for RAP measures, particularly livelihood restoration, to have been completed.

The following sections provide a brief overview of some key steps that the Project Proponents would like to highlight for the purposes of the IRP.

5.2.1. Resettlement Agreements

A resettlement agreement will be signed with each displaced household and enterprise. This will describe matters such as assets to be lost, the amount of compensation payable to the household and the forms of resettlement assistance to which the household is entitled. It will also specify the rights and obligations of the household related to the resettlement process.

5.2.2. Replacement site(s) preparation

Following approval of the replacement site(s) by the Government of Mozambique, the completion of the EIA for the replacement village(s) and permitting of all relevant activities, replacement village construction will be commenced. Activities will include:

• Construction of replacement houses;
• Construction of communal and public facilities;
• Installation of roads, drainage, water supply and electrical trunk supply;
• Clearance of agricultural land;
• Establishment of demonstration plots; and
• Preparation of subdivision plans for issue of DUATs.

5.2.3. Handover Agreements for Communal and Public Facilities

The Project Proponents will prepare a plan for the handover of communal and public facilities and utilities to the relevant community body or responsible government authority.
Prior to the start of construction, agreements will be signed between the Project Proponents and the relevant community body or responsible government authority to clearly define the following:

- Applicable design standards to be complied with;
- Conditions to be achieved for handover;
- Responsibilities for rectifying construction defects; and
- Responsibilities for ongoing staffing, equipment, operations and maintenance.

5.2.4. Moving to the Resettlement Site

The Project Proponents will assist households and enterprises to help them transport their people, possessions and livestock to the resettlement site/s. Affected households will not be required to move until their replacement dwellings and essential communal facilities such as the school and health center are completed.


The RAP will expand the framework established for the IRP and incorporate specific information about the affected people based on the census, completed inventory of affected assets and the results of the socio-economic survey. It will also specifically address the needs of the vulnerable groups identified by these activities.

Consistent with the forthcoming MICOA guidelines on RAP preparation, the Mozambique Gas Development Project RAP will include the following components:

- Results of the census and the socio-economic studies with a classification of affected people including consideration of gender, youth, and vulnerable groups; and, addressing the following:
  - characteristics of displaced households, including a description of:
    - production, work and family organization systems;
    - basic information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities); and
    - standards of living (including health status) of the displaced population;
  - description of social organization, including relevant aspects of local society, the leaders, the ethnic differences, the social groupings (families, households, lineages, clans, religious groups, etc.), and the existence of any antagonisms and conflicts;
  - identification of areas of cultural importance such as cemeteries, churches or areas of worship, sacred tombs;
- An inventory of project affected assets and their appraised value;
- Specific rates and patterns of compensation;
• Evidence of public consultations with the affected population (according to Decree 31/2012) and the host population, and of addressing the issues raised by both;

• Actions of communication with the affected and host communities, including the communication of the cut-off date;

• Eligibility Matrix – including a definition of categories of affected persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant dates of termination of benefits;

• Description of the size and minimum qualifications of the team implementing the RAP;

• Measures to assist vulnerable people, taking advantage of existing social networks and mutual support systems whenever possible;

• Description of resettlement sites and programs for improvement or at least restoration of affected peoples’ livelihoods and living conditions;

• Description of housing, infrastructure, and social services to be provided at the resettlement site, including details of:
  o plans for replacement housing, infrastructure (e.g. water supply, feeder roads), and social services (such as schools, health posts);
  o plans to offer benefits to host populations;
  o proposed site improvements and architectural plans for facilities;

• Institutional matrix defining roles and responsibilities of each entity involved in implementing the plan, the legal instrument used, the funding source, and the budgeted amount;

• Procedures for the transfer to the new location and transition costs;

• Specific measures to restore livelihoods;

• Grievance mechanisms for affected people;

• Implementation schedule for resettlement activities synchronized with the works;

• Coordination with the Government regarding land tenure arrangements, and to ensure the transfer of DUATs to the resettled population is in compliance with applicable legislation;

• RAP budget and schedule;

• Develop and implement a monitoring and evaluation strategy;

• Prepare local language summaries of the RAP; and

• Publicly disclose the RAP in national, provincial, and local locations accessible to affected people.

The following sections provide further detail on key components of the RAP.
6.1 Identification of Project Affected Population and Impacts

A census of affected households, socio-economic survey, and assets inventory (recording farmland, grazing land, residential and support structures, fruit trees, etc.) will be undertaken to identify all people and property that will be affected by the Project. The asset inventory of homestead plots and farmland will be done with the aid of geo-referencing tools and will result in a database containing a list of all affected property. This database will provide the basis for defining which households and enterprises are eligible for compensation, the extent of their losses and what their entitlements will be for compensation and other forms of resettlement assistance.

Potential resettlement impacts will involve some or all of the following:

- Permanent loss of homes and ancillary structures (houses, barns, corrals, chicken coops, stalls, etc.);
- Permanent loss of business structures (stalls);
- Loss of agricultural land and possible loss of crops;
- Loss of perennial crops (and any in-ground annual crops at time of possession);
- Loss of grazing areas;
- Loss of fruit trees;
- Loss of access to common resources such as forest, woodland, and wetlands;
- Loss of graves and sacred sites;
- Loss of social infrastructure (schools, first aid stations and water pumps);
- Temporary loss of access to some marine and coastal resources due to restrictions on access during construction for safety reasons; and
- Permanent loss of access to some marine and coastal resources as a result of exclusion zones around certain Project marine facilities (e.g. LNG loading berth).

Host communities may also experience impacts from receiving resettled communities. These impacts will depend on the nature of the selected replacement sites but may include:

- Increased demands on existing social facilities (e.g. schools, health posts, law and order);
- Increased demands on existing roads and services (e.g. water, waste management, sanitation, drainage);
- Increased demands on common resources (e.g. fisheries, coastal gathering, foraging, firewood and non-timber forest products, wildlife and the like).

Impacts on hosts will be assessed both as part of the RAP and the EIA for the replacement village/s. Mitigation measures and offsetting benefits will be designed to address any impacts, in close consultation with the host communities.
6.2. Legislative and Regulatory Framework and Standards

The regulatory framework applicable to the resettlement program is outlined in Section 4. During RAP preparation, this framework will be developed through a more detailed legislative analysis taking into account all laws, decrees, policies and regulations applicable to Project resettlement. Differences between Mozambican statutory requirements and IFC PS 5 will be identified. Where necessary measures will be developed to ensure that Project resettlement arrangements are in accordance with both Mozambican law and IFC requirements.

6.3. Compensation Framework, Entitlements and Eligibility Criteria

6.3.1. Compensation Framework

The RAP will define the compensation framework for the Project. This will be developed in close consultation with the Community Representative Committee and will define the following:

- Valuation basis – the types of assets, land improvements and losses that will be considered for compensation, the basis for their measurement and valuation, and rates for compensation;
- Eligibility criteria – to define which categories of displaced land users, occupiers and enterprises will be eligible to receive compensation and resettlement assistance; and
- Entitlements – to define the entitlements (compensation, livelihood restoration assistance, and other kinds of resettlement assistance) for each category of eligible user, occupier, or enterprise.

In consultation with affected communities, the Project will develop packages of monetary compensation, in-kind compensation, and other forms of assistance to help eligible households and individuals restore or improve their living standards and livelihoods in the event the Project is approved and developed.

6.3.2. Methods for Evaluation of Compensation

A detailed asset inventory will be undertaken (as detailed in Section 5.1 and 6.1) to refine detailed compensation packages. The value of lost assets will be calculated at Full Replacement Value (FRV) (as defined by IFC PS 5) with the assistance of a registered valuer. Loss of dwellings and loss of agricultural land will be compensated in-kind, with replacement houses and agricultural plots being allocated to affected families. Loss of crops and fruit trees will be compensated on a monetary basis, based on the tables issued by the Ministry of Agriculture, adjusted where necessary to ensure compensation at FRV as defined by IFC PS 5. Losses resulting from interruption of activity will also be compensated. Multiple methods will be used to determine replacement valuations.
6.3.3. Eligibility Criteria

Entitlement for compensation and other forms of resettlement assistance will be determined according to the nature of impact and the type of proprietary interest that each community, household, or individual has in the affected asset – e.g. tenants and sharecroppers, or boat owners and crewmembers, may have differing entitlements to compensation.

Eligibility categories will only be defined once the census, socio-economic surveys, and asset surveys have been completed, and the detailed nature of losses and impacts can be understood. In the case of communities that have access to the coast severed by the LNG site, although their land may be unaffected, they may still need to be resettled. Some preliminary categories of affected people will include but are not be limited to the following:

- Households physically and economically displaced by the Project i.e. losing dwellings and productive assets;
- Households economically displaced by the Project i.e. those losing most of their productive assets, but whose dwellings are outside of the project area;
- Households economically displaced by the Project, but who experience loss of only a small part of their total land plots;
- Communities experiencing loss or restrictions of access to some or all of their common resources (various categories);
- Public, communal, or private entities owning structures, for public use or not, affected by the Project (e.g. private owners of mosques used by communities);
- Entities who utilize project-affected areas for economic activity;
- Individuals with third party proprietary interests in land (e.g. tenants with formal agreements; tenants with informal or verbal agreements; sharecroppers); and
- Communities experiencing severance of access to coastal resources, markets or the like caused by the Project.

As provided for in IFC PS 5, where appropriate, benefits and compensation associated with natural resource usage may be collective in nature rather than directly oriented towards individuals or households.

6.3.4. Conceptual Entitlement Framework

Table 6-1 below represents an indicative entitlement framework. An actual entitlement framework will be developed as part of the RAP.

**TABLE 6-1: INDICATIVE ENTITLEMENT FRAMEWORK (NOT FOR IMPLEMENTATION)**

<table>
<thead>
<tr>
<th>Type of Loss</th>
<th>Action/Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of permanent structures (residential or business)</td>
<td>• Replacement structures will be built in a replacement village in accordance with Decree 31/2012.</td>
</tr>
<tr>
<td></td>
<td>• The Project will provide transport for the affected households and</td>
</tr>
<tr>
<td>Type of Loss</td>
<td>Action/Compensation</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>their belongings to the new residential area.</td>
<td></td>
</tr>
<tr>
<td>• The construction of replacement structures will be completed before the date fixed for the abandonment of old dwellings.</td>
<td></td>
</tr>
<tr>
<td>Loss of agricultural land (farms/ machambas or parts of machambas):</td>
<td>• Agricultural land forfeited to the Project shall be compensated in kind (land for land) – subject to Government approval of suitable replacement land.</td>
</tr>
<tr>
<td></td>
<td>• The Project will cover the cost of clearing and preparation of new fields/ machambas at the replacement site.</td>
</tr>
<tr>
<td></td>
<td>• The Project will support agricultural extension services to assist farmers to improve the productivity of their new plots.</td>
</tr>
<tr>
<td>Loss of crops</td>
<td>• Wherever possible, farmers will be given sufficient notice to enable them to harvest in-ground annual crops prior to relocation.</td>
</tr>
<tr>
<td></td>
<td>• Any loss of crops will be compensated on a monetary basis based on tables provided for this purpose by the Provincial Agriculture Services, adjusted where necessary to achieve Full Replacement Value as defined by IFC PS 5.</td>
</tr>
<tr>
<td>Loss of fruit trees</td>
<td>Monetary compensation based on the tables provided for this purpose by the Provincial Agriculture Services.</td>
</tr>
<tr>
<td>Loss of graves and sacred sites</td>
<td>• The Project proponents will provide the resources necessary to perform the appropriate ceremonies, and to effect the relocation (actual or symbolic) of the cemeteries, graves, and sacred sites that will be displaced.</td>
</tr>
<tr>
<td></td>
<td>• This process will be conducted in close liaison with community leaders and customary site custodians who will be closely involved in defining the ceremonies and activities to be undertaken.</td>
</tr>
<tr>
<td>Loss of social infrastructure</td>
<td>Social facilities shall be replaced in-kind at the replacement village site/s.</td>
</tr>
<tr>
<td>Loss of access to forage and bush-land</td>
<td>Selection of a site and sufficient site area to provide for access to forage and bush-land.</td>
</tr>
<tr>
<td>Loss of access to marine and coastal resources</td>
<td>• Selection of a replacement site with equivalent access to fisheries resources – subject to Government approval of a suitable replacement location.</td>
</tr>
<tr>
<td></td>
<td>• Provision of fisheries technical assistance to enable fishermen to restore or enhance their livelihoods.</td>
</tr>
</tbody>
</table>

6.4. Resettlement and Livelihood Restoration

6.4.1. Replacement Area Selection and Distribution of Land

The Project Proponents will coordinate and provide technical assistance to the Government to support its allocation of one or more resettlement sites by conducting studies for identifying suitable host areas based on a set of preliminary criteria including but not limited to the following:
- Distance from original residence;
- Proximity to Palma or other hub;
- Availability of equivalent areas of uncultivated land free from settlement or competing users, similar or larger in size to the current area;
- Access to markets and social services;
- Reasonable access to existing road system;
- Availability of water for potable and agricultural uses;
- Suitability of the area for agriculture and cultivation;
- Proximity to rivers and wetlands is desirable for agricultural purposes;
- Access to and proximity of coastal and fishery resources;
- Existence of available natural resources (bush-land for firewood, medicinal plants, etc.);
- Area outside of established Protected Areas as per current legislation, or areas likely to become a Protected Area in the future;
- Suitable topography and geotechnical conditions for establishment of housing; and
- Acceptance by host or receiving communities, including ethnic and religious compatibility, and acceptance by traditional or customary landholders.5

The result of these studies will be presented to the relevant authorities in order to inform Government’s decision-making. The Project Proponents will also facilitate the participation of resettlement-affected households in the site selection. Once the final choice of the replacement area or areas has been made, the Project Proponents will facilitate procedures as defined in the Land Law for the official assignment of new land to the beneficiaries. The Project Proponents will provide assistance with the following:

- The demarcation and numbering of plots to be allocated;
- Allocation of each plot to a community or eligible household;
- Preparation of the plots for delivery (e.g. Unexploded ordinance (UXO) clearance, clearing of trees, tillage, as the case may be); and
- A rights award ceremony (DUATs) attended by representatives such as the district authorities, the Project Proponents, Community Consultative Committee (CCC), and community leaders.

6.4.2. Replacement Structures

4 It is suggested that the replacement area be not too far from the Afungi Project Site as the Project Proponents based this recommendation on lessons learnt from the Human Rights Watch Report (2013) “What is a House without Food?” Mozambique’s Coal Mining Boom and Resettlements. This report show that when households are resettled to an area too far and too different from their original home it decreases the likelihood of success of the resettlement.

5 It is important to note that no community or government consultation has taken place to review these criteria.
The construction of all replacement structures (such as houses, school, health clinic and the like) will be the responsibility of the Project Proponents and its appointed contractor who will maximize local content so far as possible without sacrificing the quality, cost, and duration of construction. The designs of houses and communal facilities will be discussed and developed with input from the CCC.

In the case of auxiliary household structures (traditional granaries, barns, corrals, etc.) the Project Proponents may provide replacement materials (subject to availability) for self-construction by the respective households, or equivalent monetary compensation.

Facilities requirements will be negotiated with the Resettlement Steering Committee (RSC) (see Section 6.5.1) and responsible government agencies. Agreements will be reached between the Project and each responsible government agency to cover each facility’s design requirements as well as responsibility for ongoing provision of equipment, staffing, operations, and maintenance. Such agreements will be reached prior to any construction commencement.

6.4.3. Support for Livelihood Restoration

A detailed Livelihood Restoration Plan (LRP) will be presented as part of the RAP. The LRP will be developed in consultation with affected communities and relevant District and Provincial departments. The goal of the LRP is to provide displaced households with the opportunity to improve or at least restore their livelihoods. Livelihood programs will be developed by livelihood specialists taking into account the needs, aptitudes and skills of displaced people.

The focus of livelihood programs will initially be on restoring food security and subsistence production through providing access to suitable replacement land and coastal resources. Subsequent programs will focus on diversifying household incomes and cash earning opportunities. Programs that will be investigated further for feasibility by livelihood specialists may include the following:

- Agricultural awareness and training programs (i.e. exposure to new and improved farming techniques and inputs through demonstration and trial plots and the establishment of farmer support groups);
- Agricultural support and mentoring programs from identified partners;
- Fisheries development;
- Small enterprise training and development;
- Local procurement opportunities;
- Vocational training and skills development; and
- Scholarship and educational assistance.

Affected communities will be closely involved in the selection and design of livelihood programs. Where appropriate, the Project will utilize the services of specialist partners (e.g. experienced in-country development NGOs, consultants, national institutes, and universities) to design and deliver livelihood programs. Where feasible, the Project will align its livelihood programs with government national and regional programs for rural development, fisheries development, and enterprise promotion.
The following next steps have been identified in order to fully develop the LRPs:

- Data collection through census, asset survey, socioeconomic survey, and other data collection methods (focus groups, case studies);
- Once the replacement site(s) has been identified, a comparative assessment will be made with the Afungi Peninsula by expanding data collection to potential host communities;
- Development of LRPs; and
- Development of monitoring and evaluation criteria.

6.4.4. Assistance to Vulnerable Persons and Groups

Vulnerable individuals and households will be identified during the preparation of the RAP and will be supported with additional assistance, where needed, to enable them to share in development benefits and resettlement opportunities. These measures will be defined in the RAP taking into account each individual or household’s specific needs. The CCC will be involved in the screening and monitoring of vulnerable assistance programs.

The following criteria for the classification of people/groups as vulnerable will be considered:

- Physical disability;
- Mental disability;
- Social handicaps (i.e. albinos);
- Single mothers;
- Widows;
- Female headed households;
- Orphans;
- Child headed households;
- Elderly (above the age of 60);
- Persons with chronic/incapacitating disease; and
- Any other marginalized group(s) that are identified by census and surveys.

6.5. Institutional Framework

The following section provides an overview of the groups that will be involved in the resettlement planning process:

- Government representation through the RSC;
- Government and community representation through the CCC;
- Mozambique Gas Development Project Resettlement Team; and
Potential Non-Governmental Organization Implementation Partners.

6.5.1. Resettlement Steering Committee

The Provincial Government has, established a RSC in 2012 that was chaired by the Cabo Delgado Permanent Secretary. The committee consists of the following representatives:

- Permanent Secretary – Provincial Government (Chair);
- Provincial Department of Health;
- Provincial Secretariat;
- Department of Agriculture;
- Head of Land Department – “Cadastro”;
- National Institute of Disaster Management;
- Provincial Directorate of Education;
- Provincial Directorate of Environmental Affairs;
- Provincial Directorate of Mineral Resources;
- Provincial Directorate of Public Works and Housing; and
- Provincial Directorate of Tourism.

In a letter to AMA1 dated 05/06/2013 (Reference Number 87GG/CD/2013) the Governor of Cabo Delgado confirmed that the RSC would continue to provide support as needed. In this letter the Governor indicated that the RSC would be responsible, in cooperation with the District Authorities and AMA1, for the identification of potential replacement sites within the framework of the Agro-Ecological Zoning and ongoing preliminary work for compiling the Land Use Plan for Palma District.

The membership of the RSC will be adapted to comply with the requirements of Article 6 of Decree 31/2012.

The Project Proponents will also provide technical assistance, should the RSC request such assistance, and will work with the RSC to document all agreements reached with the RSC through Memoranda of Agreement. It is envisaged that the RSCs involvement in the Mozambique Gas Development Project’s resettlement process will continue through the planning and implementation phases.

6.5.2. Community Consultative Committee

The CCC will be established shortly after the announcement of the commencement of the resettlement planning process and will address the following topics during the first meeting:

- Explanation of the resettlement process;
- The role of the CCC during RAP planning, implementation and monitoring; and
• Need for the CCC to have representation from all segments of the community, e.g. farmers, fishermen, women, youths, community leaders and elders, vulnerable groups.

It is proposed that the CCC will consist of representatives drawn from the following:

• Community representatives from the affected communities (host communities will be included once a replacement site(s) have been identified);
• District Government representatives;
• Administrative and locality post representatives;
• Private sector representatives;
• Civil society representatives; and
• Project representatives.

The purpose of the CCC will be to:

• Undertake discussions and negotiations to reach consensus on the resettlement process, compensation and mitigation measures and other resettlement related development initiatives. This will include, for example, valuation of assets, eligibility and entitlement criteria, replacement site selection, replacement site master planning, replacement housing designs, and grievance resolution;
• Ensure effective information dissemination and broad-based understanding of resettlement matters and decisions within affected communities; and
• Represent the interests and preferences of all community members and interest groups.

As most members of the CCC have probably never taken part in a resettlement process before, The Project Proponents will support training and capacity building for CCC members. Capacity building will include workshops / training sessions on:

• What is resettlement?
• Approaches to selection of CCC representatives;
• Roles and responsibilities of CCC members;
• Meeting management and recording;
• Negotiation skills;
• Conflict management and dispute resolution;
• Resettlement implementation phase steps; and
• Resettlement planning schedule.

It is envisaged that the CCC will form working groups to address resettlement aspects such as measurement and valuation, compensation eligibility and entitlements, replacement site
selection, replacement village master planning, replacement housing and facilities design, agricultural livelihoods, fisheries livelihoods, non-land based livelihoods and new village administration. The Mozambique Gas Development Project’s resettlement team will provide specialists to support the working groups and help them reach decisions needed to advance the resettlement planning process.

Rules and procedures for the operation of the CCC will be developed during the early meetings and formalized in a constitution to be ratified by the members of the CCC. A quorum should be agreed might consist of two-thirds members. Agreements and decisions will be recorded and the minutes / records of agreements will be ratified at each meeting. The minutes will be distributed within the affected communities and displayed at village information points or nkutano’s.

The CCC’s involvement in the Mozambique Gas Development Project’s resettlement process will extend through the planning and implementation phases of the process.

6.5.3. Resettlement Team

Responsibility for preparation of the RAP lies with the Project proponents. The Project Proponents commit to provide the staff, budget, other resources and logistical support necessary for resettlement planning, implementation and monitoring. A Project Resettlement team has been mobilized. The Resettlement team’s role will extend until the resettlement completion audit has been satisfactorily completed.

The Resettlement Team will be responsible for the preparation of the RAP and will coordinate with the Government of Mozambique, affected communities and other relevant stakeholders to prepare and execute the RAP. An organizational chart of the Resettlement Team is provided in Figure 6-1.

---

6 Nkutano’s are meeting places that the communities have set up with the Mozambique Gas Development Project Community Relations Team for exclusive use for the sharing of Mozambique Gas Development Project related information
The Resettlement team’s responsibilities are to undertake all activities as defined in Section 5 above.

The Resettlement team includes a mix of highly experienced Mozambican and international specialists with expertise in resettlement, stakeholder engagement, socio-economics, land use planning, data management (GIS), agricultural development and fisheries livelihoods. The Resettlement team is supported by a Resettlement Advisor who has wide experience in planning, executing, monitoring, and auditing of resettlement for large oil and gas projects undertaken to comply with the IFC Performance Standards and Equator Principles.

6.5.4. Potential Non-Governmental Organization Implementation Partners

Where appropriate, livelihood programs will be delivered through partnerships with suitably experienced development NGOs, governmental agencies, educational institutes or the like. The Resettlement team will assess the experience and capacity of prospective partners to deliver the types and quality of services that it requires. Suitably experienced entities will be invited to bid for the opportunity to deliver various components of the livelihood restoration program.

6.6. Disclosure, Consultation, and Public Participation

International and local resettlement experience points to the importance of actively involving affected communities and their hosts in decisions about matters that directly affect them. Such matters include selection of replacement agricultural land, housing designs, and livelihood options.
The methods for involving communities in decision-making and disclosing important information to them will be established during the resettlement planning phase and will be further developed during implementation. During the planning phase the focus of participation, disclosure, and engagement activities will focus on two distinct groups of stakeholders:

- **Affected stakeholders** that include the affected communities (affected Afungi households and any households residing or using the potential replacement sites), as well as the government of the Palma District. Once the replacement site has been identified the host communities will be included in the CCC (see Section 6.5.2), and other activities; and
- **Interested stakeholders** such as NGOs, civil society organizations, academic institutions, Provincial and National Government.

The following engagement activities are proposed with affected stakeholders:

- Regular village level meetings to provide and receive feedback on the resettlement process;
- Regular meetings with the CCC in order to make specific decisions in the resettlement process;
- Meetings at the village level to make decisions when necessary;
- Qualitative data collection that includes focus groups and interviews – focus group meetings designed to elicit the views and preferences of particular interest groups within the community during all phases of the resettlement process; and
- Public consultation meetings with the affected communities and other external stakeholders – at least 4 meetings to comply with the requirements of the Regulation on The Process of Resettlement Resulting from Economic Activities (Decree 31/2012, of 1 August).

Consultation and the active participation of affected people in the resettlement process will underpin all resettlement planning activities. Experience from Mozambique and internationally has demonstrated that effective consultation and participation has the following benefits:

- It empowers Project affected people and gives them a level of ownership over the decisions affecting their future;
- Consultation provides a means of exchanging information and contributes to better decisions that are informed by affected people’s detailed knowledge of their own environment, livelihoods, and social circumstances;
- It can pre-empt serious disputes or conflicts and enable them to be resolved through dialogue and discussion; and
- It builds trust and better working relationships between the Project, communities and local leaders and the Government.
The following sections provide a brief overview of proposed organizational arrangements for engagement activities and the involvement of specific stakeholder groups.

6.6.1. Community Consultative Committee Meetings

The CCC will be formed, as required by the Regulations for Resettlement Decree. The rules for the engagement process and meetings will be agreed on after the formation of the CCC.

6.6.2. Qualitative Data Collection

Qualitative data collection entails the collection of information from stakeholders, or specific interest groups, to obtain an understanding of perceptions, opinions, beliefs, and attitudes to a specific topic or issue. Qualitative data collection will be undertaken through focus group discussions of 7 to 12 people and individual interviews. Focus group discussions will be held, for example, with women's groups, farmers groups, fishing groups, youth groups, political groups, the aged, business groups, and others.

6.6.3. Public Meetings

According to the Resettlement Regulations (Decree 31/2012, of August 8), public participation must be guaranteed throughout the preparation and implementation of the RAP (Art. 13.1). Recommendations issued from public meetings are to be recorded in minutes (Art. 13.5). Minutes are to be approved by the Technical Commission for Resettlement (Art.13.6) and acceptance or rejection of recommendations must be duly justified (Art. 13.7). The resettlement process must be subject to at least 4 public consultation meetings, duly publicized (Art. 23.1). Minutes must be produced within 5 days and posted in appropriate sites for public perusal (Art. 23.3).

Open public meetings will be held at national (Maputo), Provincial (Pemba) and District (Palma) levels. Affected communities will be consistently engaged through a combination of activities that includes village meetings. These meetings will not be open to the general public, but will include District Government representatives and an NGO observer. Advertisements / announcements for all public meetings will be placed 15 days prior to the meeting in the following outlets:

- Notícias de Moçambique;
- Local radio (Pemba); and
- Announcement posted at Village, District, Provincial and National Government headquarters.

6.6.4. Government Participation

Involvement of Government officials at all phases of resettlement is essential for the success of the RAP. Government participation (namely District Government) inputs local socio-political knowledge into the resettlement process and is essential to achieve the following objectives:

- An environment of good relationships, trust and mutual understanding between the Project team, communities, local authorities and other interested parties;
• The transmission of accurate and appropriate information to the affected local communities and the authorities, in order to prevent the dissemination of misleading or false information; and
• The alignment of the resettlement principles with the policies, plans and programs of the Government;

Resettlement committees will be established in such a way to ensure that the Provincial and District Government are involved at all the key milestones. The Project Proponents have also undertaken to report to the National Government through the National Department for Urban and Regional Planning (DINOPOT - Nacional de Ordenamento e Planeamento Territorial) on a regular basis.

6.7. Grievance Redress

During the early stages of resettlement planning, a complaints and grievance mechanism will be established. This will have the following aims:

• To provide affected people with straightforward and accessible avenues for making a complaint or seeking resolution of any dispute that may arise during the course of resettlement;
• To ensure that each complaint is investigated and that where warranted, appropriate and timely corrective action is taken; and
• To provide a vehicle for mediation and settlement of disputes or conflicts when they arise.

The avenues for making a complaint will be widely publicized in communities within and around the Project area. The Mozambique Gas Development Project Community Relations Team is currently using a grievance redress procedure with communities in the Afungi Project Site that will (in collaboration with the CCC) be adapted for use in the resettlement process.

In order to ensure the effectiveness of the grievance redress procedure it is essential to have the input and buy-in of the affected communities.

6.8. Monitoring and Evaluation

The Project will establish a resettlement monitoring and evaluation system. This is consistent with the requirements of IFC PS 5. Monitoring will assess the Project’s performance against the activities, schedule, and budget defined in the RAP. It will also identify the need for any changes in resettlement systems or processes necessary to improve resettlement delivery. Monitoring will periodically assess the progress and effectiveness of RAP programs in restoring the living standards and livelihoods of affected people. There will be two tiers of monitoring:

• Internal monitoring by the Project’s resettlement team with the active participation of the CCC as far as is practicable;
• External monitoring by third party specialists.

Typically, internal monitoring might cover the following:
• Report progress against the RAP schedule – input and output indicators;
• Verify that land acquisition and compensation entitlements are being delivered in full;
• Monitor vulnerable households to ensure that they receive any special assistance to which they are entitled and to identify any problems, issues, or cases of hardship resulting from the resettlement process;
• Collate records of grievances and undertake simple analysis; and
• Prepare status reports for the Project management team.

External monitoring might cover the following:
• Assess resettlement program compliance with national statutory requirements and IFC PS 5;
• Review progress against the RAP schedule;
• Interview a representative cross-section of affected households and businesses:
  o to assess the extent to which standards of living and livelihoods have been restored;
  o to verify that project affected people have been sufficiently informed and consulted;
  o to hear affected peoples’ opinions on entitlements delivery, resettlement housing and grievance management;
  o learn about their overall satisfaction with the resettlement process;
• Review effectiveness of any vulnerable peoples initiatives;
• Assess resettlement team management systems, record keeping and resources – Identify any additional resource needs, training or capacity building requirements;
• Review grievance records and outcomes;
• Review progress with implementation and effectiveness of livelihood restoration programs - make any recommendations on measures to improve effectiveness; and
• Prepare a summary report on resettlement progress, issues arising and any required corrective actions.

A detailed monitoring and evaluation program with key performance indicators will be developed and described in the RAP.
6.9. Planning Schedule

Table 6-2 presents an indicative schedule for resettlement planning and preparation of the RAP, assuming the Project is approved and moves forward with development.
### TABLE 6-2: INDICATIVE SCHEDULE FOR THE COMPLETION OF THE RAP (RESETTLEMENT PLANNING)

<table>
<thead>
<tr>
<th>TASKS</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
<th>Month 6</th>
<th>Month 7</th>
<th>Month 8</th>
<th>Month 9</th>
<th>Month 10</th>
<th>Month 11</th>
<th>Month 12</th>
<th>Month 13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Announcement of the start of resettlement planning activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resettlement Census</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Activate Steering Committee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Setting up Community Consultative Committee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset Survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communal Asset Survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Socioeconomic Survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entitlement Framework negotiation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation of Livelihood Restoration Plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement Area selection</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replacement Area Assessment Study</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning of Resettlement Village</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Submission of Draft RAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public disclosure of Draft RAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultation &amp; Public Participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grievance management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Submission of Final RAP Report</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.10. Indicative Budget

The Project Proponents will be responsible for all funding of the resettlement program. This will include budgeting, disbursing, monitoring, and reporting on use of funds. Detailed cost estimates will be provided in the full RAP that will be determined by the following:

- Final resettlement numbers of households to be relocated and land area required, following measures to minimize resettlement and final Project design;
- Location of resettlement site(s) identified and agreed with Government and communities;
- Physical attributes and resources of resettlement sites(s);
- Final village layouts, house sizes and designs agreed with Government and communities;
- Community and social infrastructure agreed with Government and communities; and
- Livelihood and development opportunities at resettlement sites, both land and sea based.

Considering information currently available on communities within the Project area and taking account of other resettlement projects in Mozambique and elsewhere, the preliminary budget to implement the resettlement program if the Project is approved and development continues, is estimated at **US$ 73 million**. This estimate is broadly indicative and will be subject to refinement during the resettlement planning process.
ERM has over 140 offices across the following countries worldwide:

- Argentina
- Australia
- Belgium
- Brazil
- Canada
- China
- Colombia
- France
- Germany
- Hong Kong
- Hungary
- India
- Indonesia
- Ireland
- Italy
- Japan
- Kazakhstan
- Korea
- Malaysia
- Mexico
- Mozambique
- New Zealand
- Panama
- Peru
- Poland
- Portugal
- Puerto Rico
- Romania
- Russia
- Singapore
- South Africa
- Spain
- Sweden
- Taiwan
- Thailand
- The Netherlands
- United Arab Emirates
- United Kingdom
- United States
- Vietnam

**ERM’s Cape Town Office**

2nd Floor  
The Great Westerford  
240 Main Road  
Rondebosch, 7700  
South Africa

Tel: +27 (0) 21 681 5400  
Fax: +27 (0) 21 686 0736

www.erm.com

**Impacto’s Maputo Office**

Impacto, Projectos e Estudos Ambientais Lda  
Av. Mártires da Machava, 968  
Maputo, Moçambique

Tel: +258 (0) 21 499 636  
Fax: +258 (0) 21 493 019

www.impacto.co.mz