Understanding the context

Substantial natural gas resources have been discovered in Offshore Areas 1 and 4 in the Rovuma Basin, off the coast of the Cabo Delgado Province in northern Mozambique. The Mozambique Gas Development Project (the Project) proposes to develop natural gas resources discovered in Offshore Areas 1 and 4 for export to international markets. The Project is co-operated by Anadarko Moçambique Área 1, Lda. (AMA1) and Eni East Africa S.p.A (eni), who respectively hold rights to explore, develop and produce the natural gas reserves in Areas 1 and 4.

In coordination with the Government of Mozambique, various options have been considered to develop the offshore gas resources. Onshore processing of the natural gas by means of liquefaction at a liquefied natural gas (LNG) Park was chosen as the foundational monetization option. Some of the primary benefits of an onshore LNG processing plant are the potential for substantial onshore infrastructure and industrial development, as well as investment in local content including local procurement, employment and training.

To enable the development of an onshore LNG Park, a suitable site needed to be identified. Seven potential sites between Pemba and the Tanzanian border were screened and assessed as potential locations. Socio-economic, marine and terrestrial ecology studies indicated the Afungi Peninsula in the district of Palma as the site that presented fewer concerns related to sensitive wetlands, fauna and flora, and the site was consequently chosen as the preferred site for the development of the LNG Park.

Between 2011 and 2014, an extensive Environmental and Social Impact Assessment (ESIA) was conducted to identify and assess all potential biological, physical and socio-economic impacts that the LNG Project may have and to propose mitigation and management measures for the potential impacts. One of the key socio-economic impacts the ESIA associated with the development of the LNG Park on the Afungi Peninsula was that communities residing inside the Project EIA Build Zone area would need to be resettled.

This document provides information about the Mozambique Gas Development Project's resettlement process.

What does resettlement mean?

For the Mozambique Gas Development Project, resettlement refers to a participatory process of learning about Project-affected people's socio-cultural and economic status, their property and use of natural resources, providing compensation for losses caused by Project activities, relocating people, replacing their houses and structures, restoring their livelihoods and promoting their integration into the local social economy as a development program.
Is resettlement necessary?

An LNG processing plant, such as the proposed Afungi LNG Park, requires a large area of land for the construction of the onshore and near shore LNG components. LNG infrastructure includes LNG processing trains, LNG storage tanks, jetties and additional infrastructure such as administration buildings, accommodation facilities, construction areas, access roads, an airport and an airstrip. Once the Construction Phase of the Project commences, it will also mark the beginning of industrial scale land clearance, excavations and earth moving activities.

The Project's health and safety standards, guided by international health and safety guidelines and best practice, indicate that the nature and scale of construction activities will not allow for communities to remain and continue their subsistence livelihoods inside the Project Build Zone, or in close proximity to the LNG processing plant. As a precautionary safety measure, Project-affected communities in the Project Build Zone would need to be moved or resettled to areas where exposure to potential negative impacts resulting from Project activities, such as noise, explosions and fires would be smaller.

The map below indicates three different areas in the Project EIA Build Zone:

**Area 1** indicates the Total Exclusion Zones, where the Project intends to build the LNG processing plant and other infrastructure, and where prudent health and safety considerations won't allow community activities to take place.

**Area 2** indicates areas where communities may not reside due to expected night time noise levels, but where agricultural activities can continue without any health and safety risks being posed. The zoning decision was informed by a noise study and modelling that concluded night time noise levels in Area 2 of the Project Build Zone may exceed acceptable noise levels once the Project starts producing first gas, and is therefore not suitable for people to live in.

**Area 3** indicates areas where people can continue to live and work as normal.
Committed to putting people first

The Project is committed to putting people first and has developed Resettlement Commitments that articulate how it intends to develop and deliver resettlement in a way that allows people who experience physical or economic displacement as a result of Project activities, the opportunity to improve or at least restore their livelihoods and standard of living.

The Resettlement Commitments:

1. The Mozambique Gas Development Project commits to consider all people living in the areas directly impacted by the Project as Project-affected persons.
2. The Mozambique Gas Development Project commits to avoid or minimize wherever possible Project impacts that cause physical and/or economic displacement by exploring alternatives in Project design and Project location.
3. The Mozambique Gas Development Project commits to consultation processes that ensure free, prior, and informed participation of affected people and communities in decision making related to impacts that may affect them.
4. The Mozambique Gas Development Project commits to undertake consultation throughout resettlement planning, implementation and monitoring.
5. The Mozambique Gas Development Project commits to involve affected communities and Government representatives from National, Provincial, District, Administrative Post and Locality levels in the resettlement process.
6. The Mozambique Gas Development Project commits to compensate people affected by the Project at the full replacement value of the property that is lost, either in cash or by replacing the property, as is prescribed in Mozambican legislation and international guidelines.
7. The Mozambique Gas Development Project commits to provide opportunities for displaced people to improve their living standards through the provision of improved housing, livelihood restoration and integration into development programs, and social infrastructure such as schools, health facilities, etc.
8. The Mozambique Gas Development Project commits to ensure communities are socially integrated with communities living around the resettlement location(s), to the satisfaction of resettling and host communities.
9. The Mozambique Gas Development Project commits to improve the level of community services and resources prior to relocation, such as education and health services, access to water and electricity supply, etc., for the benefit of all affected families including host communities.

10. The Mozambique Gas Development Project commits to consult meaningfully with communities in order to design and implement culturally appropriate and economically sustainable ways to restore livelihoods.

11. The Mozambique Gas Development Project commits to assist people during their physical relocation and re-establishment process to make sure these cause the least possible social, cultural and economic disruption to their daily lives.

12. The Mozambique Gas Development Project commits to establish programs and initiatives through which displaced people and host communities can, in addition to the livelihood restoration programs, benefit from the Project.

13. The Mozambique Gas Development Project commits to identify people or households that may be severely impacted by displacement and to provide special assistance to help them participate and benefit from the Project's livelihoods restoration and development programs.

14. The Mozambique Gas Development Project commits to, in collaboration with affected communities, monitor and evaluate and where necessary implement corrective measures during the implementation of the resettlement program.

15. The Mozambique Gas Development Project commits to implement a grievance redress process that enables affected households to lodge and resolve grievances related to the implementation of compensation and resettlement programs.

Legal framework

The Project's resettlement commitments are based on Mozambican legislation and international best practice standards and guidelines, including:

- The Environmental Legal Framework (Law 20/1997, Decree 45/2004), especially the Environmental Regulations for Petroleum Operations (Decree No. 56/2010, of 22 November);
- The Territorial Planning Legal Framework (Law 19/2007, Decree 23/2008, Ministerial Diploma 181/2010), especially 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);
- International Finance Corporation (IFC) guidelines and standards;
- Customary Finance Corporation (IFC) guidelines and standards;

The resettlement commitments are captured as principles in the Project's Initial Resettlement Plan that forms part of the Project's Environmental Impact Assessment Report.
Planning and consultation

Careful planning and comprehensive consultation are two of the main considerations guiding the development and delivery of the Project's resettlement process, with specific emphasis on the participation of affected communities in the development of the Resettlement Action Plan.

Community Resettlement Committees

To ensure inclusive, informed, representative and meaningful consultation, the Project has facilitated the creation of resettlement committees in Senga, Maganja and Quitupo, the three main villages on the Afungi Peninsula.

The Community Resettlement Committees, elected by their communities, ensure communities have an in-depth understanding of the resettlement principles, process, components and development of the Resettlement Plan, and facilitate increased understanding of these elements among community members. Where necessary and at their discretion, these committees task internal or external groups to ensure explanations of the resettlement process and components reach all community members, wherever they live. The Community Resettlement Committees are also encouraged to invite people with special knowledge or interests to facilitate increased community understanding of specific resettlement topics or issues, as required by communities.

The Community Resettlement Committees serve as bridge between communities and the Project's resettlement team by obtaining input and opinions from community members to improve and refine the resettlement process. They identify any resettlement related issues or concerns and these are relayed to the resettlement engagement team, whose task it is to make sure these concerns are addressed as part of the ongoing community engagement process. The Community Resettlement Committees also make recommendations and certain key decisions for discussion with the District Resettlement Commission.

The Committees do not only play a facilitation and educational role, but their duties extend to decision-making. Decisions in relation to the following activities will be made by the various committees in consultation with Project-affected people in their respective communities:

- Application of compensation eligibility criteria and entitlements
- Replacement site selection
- Replacement village master planning
- Replacement housing and facilities design
- Agricultural livelihoods restoration programs
- Fisheries livelihoods restoration programs
- Non-land based livelihoods, and
- New village administration under new and host village leadership structure.

The Government of Mozambique has also formed special committees that will oversee the resettlement process at national, provincial and district level.
The resettlement process and timeline

Resettlement has two main phases: planning and implementation. The resettlement process is currently in the planning phase.

The resettlement planning process has two main considerations:
- Determining who is affected by the Project's activities and infrastructure, including noise levels and potential secondary safety risks, and
- Collection of information about affected people, the level and type of impacts the Project will have on them and discussing entitlements and options for compensation and where relevant, options for resettlement, including sites and housing design details.

Communication and consultation activities with potentially affected communities form the basis of resettlement planning. The Community Resettlement Committees have been created specifically to assist with the process of communication and to facilitate decision-making involving communities.

Resettlement planning activities undertaken to date

The Project's resettlement team has undertaken the following activities to date:
- A census with households owning assets inside the Project's provisional site (DUAT) – nearing completion;
- An asset survey has commenced with households in communities where households own assets inside the Project's provisional site (DUAT);
- A census and asset survey are currently in progress in Quitupo village;
- Studies have been undertaken to inform the development of the agricultural and fisheries livelihood restoration plans;
- Community Resettlement Committees are operational in the villages of Maganja, Senga and Quitupo;
- Meetings with the Community Resettlement Committees and communities have been conducted to inform them of the resettlement process, including the census methodology, asset survey methodology, socio-economic information collection, replacement site alternatives and selection process, replacement site preferences, and replacement housing design; and
- Consultation with the Government on the replacement site alternatives and selection process, as well as the replacement housing and infrastructure design.
Next steps in the resettlement planning process

Consultation
The Project's resettlement team will continue the extensive consultation process with affected communities and the Government of Mozambique, focusing on the topics of replacement site preferences, replacement house prototype, resettlement impacts, livelihood restoration measures and compensation.

A second round of public meetings will be convened to provide stakeholders with another opportunity to comment on the resettlement planning process.

Surveys
The resettlement team will continue and complete the census and asset survey. An additional survey, the socio-economic survey, will be initiated along with the communal asset survey, intending to document assets at village level.

Develop Resettlement Action Plan
Studies and surveys conducted during the planning phase, and informal and formal consultation and discussions with affected communities will contribute to the development of a draft Resettlement Action Plan. The submission of the draft Resettlement Action Plan to the Government will mark the end of the planning phase.

The role of the Resettlement Action Plan
A Resettlement Action Plan (RAP) is a detailed document that describes the approach, principles and procedures that will be followed to manage all unavoidable physical and economic displacement due to the development of the Mozambique Gas Development Project. The RAP will also provide detail on the process that the Project followed to determine the replacement site, as well as detail on activities that will support resettlement affected people to re-establish their livelihoods once they have been resettled.

The Resettlement Action Plan is prepared in accordance with Mozambican legislation and the International Finance Corporation's Performance Standard 5: Land Acquisition and Involuntary Resettlement (IFC PS 5) and provides a framework for the implementation of resettlement activities.

The RAP is developed in close consultation with affected communities as well as the Government of Mozambique.

Opportunity for input to the Resettlement Action Plan will be provided to interested and affected parties during public consultation during the planning phase. Once the final draft Resettlement Action Plan has been prepared, it will be made available for public comment. The draft Resettlement Action Plan will also be discussed in detail with the Community Resettlement Committees and the District Government. Following the public comment period, the plan will be updated to reflect the contributions and comments of interested and affected parties.
After the Resettlement Action Plan has been disclosed, updated and approved, the Project will start to prepare communities to be relocated to a new village site/s. The following activities will form part of the implementation phase:

- Final compensation agreement packages, due to each affected household, will be signed;
- Community resettlement committees and all affected people will visit the site/s to see how the new village(s) is/are being built;
- Houses and other replacement community buildings will be built;
- Fisheries and agricultural support and development projects will be initiated in all affected communities prior to communities being resettled;
- Once the new village/s is/are ready, families will be transferred to their new homes;
- The Project will provide vehicles and assistance to move family possessions, materials originating from existing houses or structures, as well as livestock, to the new houses/village(s).

Where will people be resettled?

The area to which physically displaced people will be moved - the replacement village - will be decided as part of a collaborative consultation process between the Project, affected people and the Government of Mozambique. The Project will work with affected communities, Community Resettlement Committees and the District Government to consider potential sites and recommend a preferred site to the Government, who will make the final decision on the replacement site.

During meetings held to announce the commencement of the resettlement planning process in August 2013, communities indicated that they wanted to remain as close as possible to their current location, as well as the Project site. The Project has recognized this request and has consequently considered potential resettlement sites, suitable to construct a new village(s) inside the Project’s provisional DUAT, based on environmental and safety criteria.

The Project would like to present potential replacement village areas to communities for their consideration. The areas were identified and ranked according to a set of suitability criteria, including proximity to the coast, proximity to markets, proximity to existing agricultural areas, availability of and access to water, considering the night time noise buffer, presence of wetlands and mangroves. The map illustrates the suitability of areas according to the suitability criteria. Green indicates areas that are most suitable, yellow areas are fairly suitable, orange areas are less suitable and red areas are the least suitable.
Managing impacts

People in Afungi are likely to experience both positive and negative impacts as a result of the Project's presence and activities. The Project's exclusion zones on land and in Palma Bay, where the Project will build infrastructure, may have impacts on:

- Land
- Residential and other structures
- Communal assets
- Fisheries areas, coastal gathering area, access to or across the foreshore
- Agricultural land, fruit trees and other economic trees
- Foraging resources
- Access to family graves

These impacts will need to be remediated.

Positive impacts as a result of the Project presence and activities are expected to include:

- Employment opportunities
- Upgrading of social infrastructure at the replacement village(s)
- Improved access to potable water and sanitation
- Improved road networks and access
- Livelihoods programs
- Community investment and development programs
- Training opportunities

The scope of positive and negative impacts will be further developed as the results of consultation, as well as surveys, become available. Detailed feedback on expected impacts and mitigation and compensation measures will be disclosed at future public meetings.

Your participation

As part of our commitment to put people first, we want to make sure all potential negative impacts are considered and appropriate mitigation or support measures designed as part of the resettlement planning and implementation process. Moreover, the Project wants to ensure that Project-affected communities have the opportunity to improve their livelihoods and standard of living by maximizing positive impacts and development opportunities that result from Project activities. Both the consideration of potential positive and negative impacts, and associated support and mitigation measures will be incorporated in the draft Resettlement Action Plan.

If you have concerns, questions, comments or suggestions about the resettlement process or the development of the Resettlement Action Plan, the Project's resettlement team invites you to contact us by sending an email to resettlement@anadarko.com, or by submitting your comments in writing to the Anadarko offices in Maputo or Palma.

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