

**THE UNITED REPUBLIC OF TANZANIA
PRIME MINISTER'S OFFICE**



***Southern Agricultural Growth
Corridor of Tanzania (SAGCOT)
Investment Project***

RESETTLEMENT POLICY FRAMEWORK

SEPTEMBER 2013

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BASIC INFORMATION

- 1. Country and Project Name:** *The United Republic of Tanzania – Proposed Southern Agricultural Growth Corridor of Tanzania (SAGCOT) Investment Project*
- 2. Project Development Objectives:** *“ To expand partnerships between smallholder farmers and agribusinesses in the Southern Corridor leading to improved agricultural productivity and increased rural incomes and employment opportunities”*
- 3. Project Outcomes:** *(i) increase in private agribusiness investment; (ii) increase in number of smallholder farms linked with specific agribusiness value chains; and (iii) increase in employment created in agribusiness value chains.*
- 4. Expected Project Benefits:** *Over the next 20 years, SAGCOT aims to bring 350,000 hectares of farmland into commercial production for regional and international markets, to increase annual farming revenues by US\$1.2 billion, to lift more than 2 million people (roughly 450,000 farm households) out of poverty.*
- 5. Identified Project Social Risks:** *(i) Availability of land: there is limited knowledge at any level of the actual availability of land (precise location, suitability) due to land use planning and/or surveys; (ii) Real or perceived "land grabbing" by Tanzanian and/or foreign investors, i.e. take-over of large tracts of land (and/or water rights) for little or no real or perceived short or long-term benefits to local communities; (iii) Displacement of legal or informal land users with inadequate compensation and/or practical resettlement planning and implementation; (iv) Real or perceived inadequate compensation and/or benefits to local residents as a result of lopsided/inequitable negotiation processes; (v) Corruption of local administrations/councils by inducements offered by investors or their agents; (vi) Limited security of tenure and limited rights and negotiating power concerning land use planning and land transfer; (vii) Lack of inclusion of smallholders in value chains due to lack of agreed mechanisms tied to specific investments/investors; (viii) Lack of inclusion in negotiation and decision-making processes resulting in little or no consideration of gender issues; (ix) Marginalization of livestock herders in most policy and decision-making for a; (x) Increased pastoralist/crop farmer conflicts if pastoralists are displaced or removed from land to facilitate agricultural investments; (xi) Decreased local or regional food security if non-food commercial crops displace food crops; and (xii) Increased hazards to rural workforce and communities from (a) pesticides, (b) mechanization (if untrained), and (c) work in agro-industries (if unregulated).*

Recipient: *The United Republic of Tanzania*

Responsible Government/Country Agency for RPF Implementation: *Prime Minister's Office – SAGCOT Project Coordination Unit*

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ABBREVIATIONS AND ACRONYMS

AGRA	Alliance for a Green Revolution in Africa
BP	Bank Procedure
CCRO	Certificate of Customary Right of Occupancy
CF	Catalytic Fund
CRO	Customary Right of Occupancy
EHS	Environment, Health and Safety
EIA	Environmental Impact Assessment
ERM	Environmental Resources Management Ltd
E&S	Environmental and Social
ESMF	Environmental and Social Management Framework
FM	Fund Manager
GIS	Geographic Information System
GoT	Government of Tanzania
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IDA	International Development Association
ILIMS	Integrated Land Information Management System
LGA	Local Government Authorities
M&E	Monitoring and Evaluation
MAFSC	Ministry of Agriculture, Food Security & Cooperatives
MGF	Matching Grants Facility
MEP	Monitoring and Evaluation Plan
MLHHSD	Ministry of Lands, Housing and Human Settlements Development
NSGPR	National Strategy for Growth and Reduction of Poverty
MEP	Monitoring and Evaluation Plan
NEMC	National Environment Management Council
NGO	Non-government Organisation
OP	Operational Policy
PAD	Project Appraisal Document
PAPs	Project Affected Persons
PCDP	Public Consultation and Disclosure Procedure
PCU	Project Coordination Unit
PMO	Prime Minister's Office
PMO-RALG	Prime Minister's Office Regional Administration & Local Government
PPP	Public-Private Partnership
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
RUBADA	Rufiji Basin Development Authority
SAGCOT	Southern Agricultural Growth Corridor of Tanzania
SIL	Specific Investment Loan
SPILL	Strategic Plan for Implementation of the Land Laws
SRESA	Strategic Regional Environmental and Social Assessment
TAGT	Tanzania Agriculture Growth Trust
TAP	Tanzania Agricultural Partnership
TIC	Tanzania Investment Centre
URT	United Republic of Tanzania
USAID	United States Agency for International Development
VLA	Village Land Act
VLUP	Village Land Use Plan
VPO	Vice President's Office
WB	World Bank
WDC	Ward Development Committee

INTRODUCTION AND OBJECTIVES

This document presents a Resettlement Policy Framework (RPF) for the proposed Southern Agricultural Growth Corridor of Tanzania (SAGCOT) Investment Project prepared under a consultancy for the Government of Tanzania (GoT) by Environmental Resources Management Limited (ERM). The RPF has been developed in tandem with a Strategic Regional Environmental and Social Assessment (SRESA) and Resettlement Policy Framework (RPF) by ERM as one of a set of due diligence instruments required to address and manage environmental and social impacts associated with the SAGCOT Investment project.

The objectives of the RPF are to:

- Establish the SAGCOT resettlement and compensation principles and implementation arrangements;
- Describe the legal and institutional framework underlying Tanzanian approaches for resettlement, compensation and rehabilitation;
- Compare the Tanzanian laws and the World Bank Operational Policy for Resettlement (OP 4.12) and identify the gaps.
- Define the eligibility criteria for identification of project affected persons (PAPs) and entitlements, considering Tanzanian laws and the World Bank OP 4.12.;
- Describe the process for RAP preparation;
- Describe the consultation procedures and participatory approaches involving PAPs and other key stakeholders; and
- Provide procedures for filing grievances and resolving disputes.

The RPF will apply to those investments made through the World Bank Specific Investment Loan (see *Section 3.2*) and will be recommended for use by other project proponents across all SAGCOT investments, where resettlement takes place. The procedures will be carried out throughout preparation and implementation, and impacts of any potential resettlement will be included in monitoring and evaluation (M&E). When a Resettlement Action Plan (RAP) is required, it will be prepared in accordance with guidance provided in this RPF, including Detailed Asset Inventory and Measurement and socioeconomic Surveys, Identification (Census) of project affected person (PAPs)/displaced persons, and Public Consultation and Disclosure Procedures (PCDP).

The RPF follows the Tanzanian laws and the guidance provided in the World Bank Operational Policy on Involuntary Resettlement (OP 4.12), as described in Annex 1.

The RPF ensures that any possible adverse impacts of proposed project activities are addressed through appropriate mitigation measures, in particular, against potential impoverishment risks. These risks can be minimized by:

- Avoiding displacement of people without a well-designed compensation and relocation process;
- Minimizing the number of PAPs, to the extent possible;
- Compensating for losses incurred, including for displaced incomes and livelihoods; and
- Ensuring resettlement assistance or rehabilitation, as needed, to address impacts on PAPs livelihoods and their wellbeing.

2 **PROJECT DESCRIPTION AND RATIONALE**

2.1 **INTRODUCTION TO SAGCOT**

The SAGCOT is broadly identified as a public-private partnership explicitly designed to achieve higher rates of income growth and job creation through the development of competitive agribusiness value chains across the Southern Corridor. The program concentrates investments within the rail and road corridor stretching from Dar es Salaam in the east through to Morogoro, Iringa, Mbeya, and west to Sumbawanga. Over the next 20 years, SAGCOT aims to bring 350,000 hectares of farmland into commercial production for regional and international markets, to increase annual farming revenues by US\$1.2 billion, to lift more than 2 million people (roughly 450,000 farm households) out of poverty.

The SAGCOT is closely aligned with the newly drafted National Strategy for Growth and Reduction of Poverty (Mkukuta II and Mkuza II) – Cluster I: Growth and Reduction of Income Poverty. This highlights the need for the modernization and commercialization of private sector- based agricultural activities through accelerating productivity growth and removing bottlenecks along agribusiness value chains. The SAGCOT objectives are also cited in the GoT’s Five Year Development Plan. The SAGCOT program planning was initiated by the GoT with support from a range of public and private sector agencies including Norway, USAID, AGRA, Yara, Unilever, DuPont and Syngenta. Program implementation will be supported by the GoT together with the support of multiple private and public sector partners.

The SAGCOT programme is at an early stage of its organizational development, and the Government of Tanzania (GoT) has requested funding from the International Development Association (IDA), to support the establishment of the necessary institutions, institutional reorganization, capacity building and initial operation of a promotional funding mechanism.

2.2 **WORLD BANK SUPPORT TO SAGCOT – ‘THE PROJECT’**

The Bank has prepared a Project Concept Note (PCN) and is preparing a Project Appraisal Document (PAD) for the proposed Southern Agricultural Growth Corridor (SAGCOT) Investment Project. The proposed World Bank support to SAGCOT will be in the form of a Specific Investment Loan (SIL). The proposed Project Development Objective (PDO) is “*to expand partnerships between smallholder farmers and agribusinesses in the Southern Corridor leading to improved agricultural productivity and increased rural incomes and employment opportunities*”.

Project Components: The project will be implemented over a 5 year period and would comprise three main components described below.

- **Component 1: Strengthening of SAGCOT Support Institutions (total US\$16.3 million, IDA US\$8.5 million).** The objective of this component

would be to strengthen the capacity of the main SAGCOT support institutions in order to pursue their functions of information and data provision, support of investment planning and guidance, government/private sector intermediation, business enabling environment and investment promotion. The component would support two institutions under the following sub-components:

- a) **SAGCOT Centre (Private Sector Institution) (total US\$ 11.4 million, IDA US\$ 3.5 million):** under this sub-component the project would jointly with other donors support the SAGCOT-Centre, which was established as a public private partnership entity in 2011 to: (i) Facilitate agri-business and partnership development; (ii) Ensure inclusive and sustainable investment and development; and (iii) Advocate for an improved enabling environment. The project would support the Centre by providing financing for staff and operational costs, studies (about one study per year, initial topics identified are water use management and doing business) and consulting services to be contracted by the Centre.
 - b) **Tanzanian Investment Centre (Government institution) (IDA US\$5 million):** under this sub-component the project would support the TIC which was established as a public sector entity in 1997 and designated as the first point of call and a “one-stop facilitation centre” for all potential investors coming into the country. The project support would aim to: (i) strengthen its capacity to leverage high quality, responsible, inclusive and sustainable commercial investments (these investments are not yet identified as the aim is to strengthen the capacity to support investment efforts, a current example the TIC is supporting is the Mkulazi investment) in the SAGCOT, and (ii) monitor and evaluate investments. The project would finance incremental equipment, technical assistance (e.g., processing systems, organisational development, and investment promotion) and consultancies (e.g., for setting up web based information systems to monitor, promote and foster investment).
- **Component 2: Strengthening Smallholder-Business Linkages (total US\$74.0 million, IDA US\$46.3):** The objective of this component would be to link smallholder farmers in agricultural value chains. The component would (a) expand the number of smallholders linked to agribusinesses in successful commercial partnerships and (b) improve the revenues derived by smallholders and rural communities from these partnerships in the form of growth in agricultural productivity growth, income and employment. This component would comprise two sub-components:
- a) **Fund Management (total US\$8.5 million, IDA US\$4.25 million):** under this sub-component the project would jointly with other donors support a management structure responsible for the implementation of the catalytic fund. Project support would include fees (including salaries), goods and equipment, office operational costs, meetings and workshops, communications and technical assistance.

b) **Matching Grants (total US\$ 65.5 million, IDA US\$42 million):** Matching Grants (MG) at a size of US\$250,000 up to US\$1.5 million with a matching contribution of 30% (national businesses) and 40% (international business operators) would be provided to existing agribusiness operators following a defined process of application, evaluation and competitive selection. The grants could be used for operational cost and capital costs directly related to expanding smallholder participation in competitive agricultural supply chains.

- **Component 3: Project Management and Evaluation (total US\$2.2 million, IDA US\$2.2 million):** The component would establish project management and M&E systems and provide office equipment, transportation and technical assistance services. It would support the coordination between implementation agencies at all levels and with other government programs and institutions and the capture of implementation lessons from development of value chain development. It would also include support for establishing and operating the project's progress and impact M&E system.

2.3

ANTICIPATED SUB-PROJECT TYPES

The RPF will apply to the SAGCOT SIL direct investments only. It is therefore expected that, of the three components, the Matching Grants Facility (MGF) will be the only aspect of the SIL that will give rise to resettlement impacts. As described above, the MGF will finance the efforts of established commercial agribusinesses to expand their commercial linkages with smallholder farmers by building or extending competitive supply chains. The Matching Grant, in effect, shares the risks of incorporating larger numbers of smallholders into sustainable commercial supply chains. The sub-project types therefore potentially resulting in resettlement, and hence requiring the use of this RPF include:

- support to the expansion of contract farming;
- the improvement of access to more productive production inputs (seed, fertilizer, planting material);
- the improvement of product assembly systems;
- the improvement of grades and standards and related support strategies;
- resolving small infrastructure bottlenecks in the supply chain such as:
 - fixing drainage problems blocking rural feeder roads;
 - the electrification of a processing plant; or
 - the refurbishment of a warehouse facility required for product assembly.

It must be noted that although this RPF relates to the SAGCOT SIL investments only, it is recommended that it can also be applied by other project proponents across the whole SAGCOT portfolio.

2.3.1

Resettlement Impacts

In general, resettlement associated with the SAGCOT SIL is likely to be mainly economic resettlement due to the nature of the SAGCOT SIL investments.

Economic resettlement may give rise to the following types of impacts:

- Loss of land based livelihoods;
- Loss of access to communal resources and associated loss of livelihood;
- Loss of economic immovable assets;
- Decreased income earning ability;
- Food insecurity; and
- Unemployment.

There may be some cases of physical resettlement, particularly if other aspects of the SAGCOT programme are included in the scope of this RPF. Potential impacts associated with physical resettlement include:

- Loss of houses and other structures;
- Decreased land in host community;
- Disruption from construction of new homes and facilities in host community;
- Separation from homes and farm plots;
- Separation of family members and/ or disruption to social networks; and
- Strain on education and health services in host community

Resettlement can also lead to the loss of access to communal resources:

- Loss of land for grazing;
- Loss of access to water;
- Loss of medicinal plants; and
- Loss of trees for charcoal production and firewood.

These impacts can result in further indirect impacts, including the marginalization of the population concerned, degradation of health standards, loss of access to resources for marginalized communities such as pastoralists, disturbance to the way of life of affected population, conflicts with host communities, and potential food shortages.

Given the type of SIL investments, however it is not likely that resettlement as a result of the SAGCOT SIL will be extensive. The requirements of this RPF will, however, still apply, as this does not depend on the scale or complexity of the resettlement required.

2.4

CONSULTATION

With respect to consultation, a number of consultations were undertaken with a wide range of stakeholders, including national and local governments, NGOs, small farmers, pastoralists, women, among other, for the preparation of the Environmental and Social Management Framework (ESMF) and the

Strategic Regional Environmental and Social Assessment (SRESA). A number of topics discussed are related to the impact of the project such as impact on land, smallholders, pastoralist and gender. A summary of these consultations, issues raised and possible solutions are summarized in annex 7. These findings are relevant to this RPF and need to be considered during the preparation of Resettlement Action Plans (RAPs).

2.5 PROJECT IMPLEMENTATION ARRANGEMENTS

The implementation of SAGCOT will take place through the use of existing government structures as well as the SAGCOT Centre, through their mandates to implement the SAGCOT programme. These institutions and their SAGCOT responsibilities are described below.

2.5.1 The Catalytic Fund (CF)

The Fund Manager(s) will identify, finance, and develop viable investments across the value chain in the Corridor. It will also assist in the process of raising third-party commercial finance once the opportunities are “investment ready”. In the process, the Fund Manager(s) will ensure that projects are developed in ways that maximise a range of financial, economic, social and commercial developmental impacts.

The Fund Manager(s) shall have the mandate and function of: (a) raising additional Funds subject to the consent of the Board; (b) preparing the investment pricing policy of the Social Venture Capital Fund for approval by the Board; (c) marketing the Funds, (d) approval of applications and (e) operational management of the Funds.

The bulk of World Bank support will go to the Catalytic Fund via the Matching Grant Facility. Therefore, the CF must have in place a set of procedures that assure compliance with both GoT environmental regulations and World Bank safeguards, including those of World Bank OP 4.12 as described in *Chapter 4* and *Annex 1*.

2.5.2 The SAGCOT Centre

The SAGCOT Centre is the key coordinator of the SAGCOT programme with numerous cross-cutting roles.

The SAGCOT Centre has been established to facilitate investment and manage the coordination of the partnership to ensure the successful achievement of its objectives. Its activities include:

- Managing and expanding the SAGCOT Partnership;
- Information provision & Market intelligence;
- Facilitating introductions;
- Facilitating access to finance;
- Coordination of cluster and corridor development;
- Identification of enabling environment obstructions and helping to address these; and

- Monitoring and evaluating progress.

With this remit, the SAGCOT Centre will be instrumental in communicating the principals of sustainable investment across stakeholders in both the public and private sectors. To accomplish this mandate, the SAGCOT Centre will need to have the capacity to undertake the following;

- i) keep stakeholders updated on environmental and social issues surrounding development in the Corridor, including those associated with resettlement and compensation;
- ii) communicate to potential investors, in collaboration with TIC, the sustainable and green investment principles which SAGCOT will promote, including resettlement principles as contained in this RPF;
- iii) be the first “stop” for all investments regarding transparent land transfer requirements;
- iv) provide preliminary information on clean technology and reduced carbon footprint opportunities for investors; and
- v) guide investors in good practice for consultation and engagement with local villagers and communities.

Finally, the SAGCOT Centre will also be the focal point for annual reporting on safeguard progress across the implementing agencies and organizations to the World Bank.

2.5.3

Tanzania Investment Centre (TIC)

The TIC was established under the provisions of the Tanzania Investment Act, Cap 38 (Act No 26 of 1997). The Centre is designated to be a one-stop shop for investors and is mandated to co-ordinate, encourage, promote and facilitate investment in Tanzania and to advise the Government on investment policy and related matters. Within this remit, the TIC has the authority to:

- identify investment sites, estates or land together with associated facilities on these, for the purposes of investors and investments in general;
- assist investors to obtain permits, licence approvals consents, authorisations, registrations and other matters required by law for a person to set up and investment; and
- enable certificates issued by the Centre to have full effect.

TIC will assist in incorporation and registration of enterprises, promote both foreign and local investment activities, and grant certificates of incentives. As the first port of call, the TIC will need to develop a set of guidelines for potential investors that detail the principles of sound sustainable agriculture development in the Corridor, including those for resettlement.

These principles should cover the following topics:

- i) reliable information on land availability with maps (in a modern format (GIS));

- ii) information linking land suitability to potential crop production;
- iii) transparent methods for land transfer, registration and leasing arrangements;
- iv) land lease revenue options or equivalents;
- v) corporate social responsibility and community development funds, including those related to resettlement and livelihood restoration programmes;
- vi) the role of grievance mechanisms, tribunal or adjudication assurance for investors and villagers, and
- vii) potential “road blocks” and ways to navigate around these complex issues.

The guidelines will be developed using technical information from the Ministry of Lands, Housing and Human Settlements Development and also the Rufiji Basin Development Authority (RUBADA)¹.

2.5.4 *The Ministry of Lands, Housing and Human Settlements Development*

The responsibilities of this Ministry (MLHSD) include activities relating to land administration, land use, survey and mapping, land information management systems and adjudication. With World Bank support, the Private Sector Competitiveness Project (PSCP) is supporting capacity building in this ministry following the Strategic Plan for Implementation of the Land Laws (SPILL). This support includes several activities with direct relevance to the SAGCOT programme:

- i) decentralization of land administration and registration of village land;
- ii) computerization and streamlining of land administration services;
- iii) strengthening dispute resolution mechanisms; and
- iv) upgrading infrastructure for surveying and mapping.

Progress is being made with the detailed design and implementation of an Integrated Land Information Management System (ILIMS), important in modernizing land administration information. Also, in terms of transparency and resolution of land disputes, the Ministry has developed two main activities to strengthen dispute resolution mechanisms – support for functioning District Land and Housing Tribunals and support to reduce the backlog of land cases.

¹ RUBADA is not receiving support under the World Bank Specific Investment Loan, but it is an institution that is relevant to implementation of SAGCOT; it is described in *Section 2.5*.

3 LEGAL AND INSTITUTIONAL DESCRIPTION

3.1 INTRODUCTION

This RPF will apply the laws, legislation, regulations, and local rules governing the use of land and other assets in Tanzania. It will also ensure that the requirements of the World Bank OP4.12 are met should resettlement impacts be encountered. This legal and institutional framework is presented in six sections:

- (i) Overview of the political economy and governance in Tanzania;
- (ii) Property and land rights, as defined by Tanzanian law and customary practice;
- (iii) Acquisition of land and other assets, including regulations over the buying and selling of these assets;
- (iv) Rights and compensation, in particular, the accepted norms influencing peoples' basic rights to livelihoods and social services;
- (v) Dispute resolution and grievance mechanisms, specifically the legal and institutional arrangements for filing grievances or complaints and how those grievances are addressed through formal and informal systems of dispute resolution; and
- (vi) Comparison with World Bank OP4.12, using equivalence and acceptability standards.

3.2 OVERVIEW

Tanzania is made up of two formerly independent countries which united in 1964. Tanzania Mainland and Zanzibar each have a different set of laws and procedures related to land and property rights. Tanzania as used herein refers to the Mainland only.

Tanzania is a multi-party parliamentary democracy. The country is among the poorest nations in the World, but is rapidly developing and enjoying peace and a stable macro-economic status. The country has a central government, regional administrations and local governments. There are 21 regions, 117 rural and urban authorities and 12,500 villages.

Tanzania has an area of 945,087 km² and a population of 40 million growing at around 2.5% p.a. with rapid urbanization taking place: around 30% of the population is urban. Over 80% of the population depends on agriculture, but only 2% of rural land and 20% of urban land is registered. Poverty is still rampant despite macro-economic gains in the past decades.

The *Constitution* of the United Republic of Tanzania 1977 (as amended) in its preamble provides that Tanzania aims at building a democratic society founded on the principles of freedom, justice, fraternity and concord, in which the Executive is accountable to the Legislature composed of elected members and representatives of the people, and also a Judiciary which is independent and dispenses justice without fear or favour, thereby ensuring that all human rights are preserved and protected. The Constitution provides for legislative supremacy of Parliament and independence of the Judiciary. It also embraces the principles of rule of law, separation of powers and a pluralistic political system.

The GoT's 1999 *Tanzania Vision 2025* expressed both hope and determination in ridding the country of poverty, disease and ignorance. It sought to do so by achieving high and sustained growth at an average of 8%, halving abject poverty by 2010 and eliminating it by 2025. The National Strategy for Growth and Poverty Reduction (NSGPR), now in its second iteration 2010/11 to 2014/15) seeks to realize the goals of the Vision 2025.

Rapid development has many times necessitated the taking over of land from its owners for investments such as infrastructure. There is a system of land acquisition and compensation based on law and practice, and some sectors have their own guidelines that address the question of involuntary resettlement, such as the Road Sector Compensation and Resettlement Guidelines published under the Ministry of Infrastructure Development, February 2009, which is in line with OP 4.12.

Another national initiative that is important for this project is *Kilimo Kwanza*. *Kilimo Kwanza* is a 'national resolve' that has been established by government as a central pillar in achieving the nation's Vision 2025. It comprises a holistic set of a policy instruments and strategic interventions towards addressing various sectoral challenges and taking advantage of numerous opportunities to modernize and commercialize agriculture in Tanzania. The central objective of the initiative is to pioneer Tanzania's Green Revolution by transforming its agriculture into a modern and commercial sector. Different from several other national programs undertaken before, the *Kilimo Kwanza* strategy seeks to:

- First, integrate its programs into the Government machinery to ensure its successful implementation;
- Second, to mobilize increased quantum of resources towards the realization of its strategic objectives;
- Third, to mobilize the private sector to substantially increase its investment and shoulder its rightful role in the implementation of its objectives; and,
- Fourth, to implement *Kilimo Kwanza* through a strategy that will comprise some ten actionable pillars:
 - (i) Political will to push our agricultural transformation;
 - (ii) Enhanced financing for agriculture;

- (iii) Institutional reorganization and management of agriculture;
- (iv) Paradigm shift to strategic agricultural production;
- (v) Land availability for agriculture;
- (vi) Incentives to stimulate investments in agriculture;
- (vii) Industrialization for agricultural transformation;
- (viii) Science, technology and human resources to support agricultural transformation;
- (ix) Infrastructure Development to support agricultural transformation; and
- (x) Mobilization of Tanzanians to support and participate in the implementation of *Kilimo Kwanza*.

Private sector- led agricultural development is at the heart of *Kilimo Kwanza*. This is the critical difference between *Kilimo Kwanza* and all previous national programs for agricultural development. Mobilization of the private sector accordingly involves the creation of Public Private Partnership (PPP) frameworks that have been championed by the Private Sector Foundation and Government through the key institutional stakeholder of the initiative, the Tanzania National Business Council (TNBC). The Council is comprised of 40 members – 20 from the private sector and 20 from the public sector.

Another corporate entity that has been established is the Tanzania Agricultural Growth Trust (TAGT). This oversees the development of various implementation instruments such as agricultural projects in various 'corridors' (South, North, Central, etc) and also other initiatives including the Tanzania Agricultural Partnership (TAP). In addition, TAGT oversees the financing mechanisms through its TAGT Fund Board and coordinates sources of funding in general.

With respect to the management of land, property acquisition and compensation, Tanzania has a set of policy, legal, and institutional frameworks. Basic principles recognizing ownership of lands and resources are enshrined in the National Constitution and further elaborated in the Land Policy and Land Acts. These are further defined in local laws and by-laws.

3.3 *PROPERTY AND LAND RIGHTS IN TANZANIA*

3.3.1 *The Constitution of the United Republic of Tanzania*

The *Constitution* of the United Republic of Tanzania provides for the rights of citizens to own property and disallows the deprivation of one's property held in accordance with the law, unless the owner is fairly and adequately compensated.

Article 24 (1) says:

"Every person is entitled to own property and has a right to the protection of his property held in accordance to the law."

Sub-article (2) further provides that:

"..... it shall be unlawful for any person to be deprived of property for the purposes of nationalization or any other purposes without the authority of the law which makes provision for fair and adequate compensation."

3.3.2 *The National Land Policy of 1995*

The *National Land Policy of 1995* provides guidance and directives on land ownership and tenure rights and taking of land and other land based assets. The overall aim of the policy is to promote and ensure a secure land tenure system in Tanzania that protects the rights in land and resources for all its citizens. The following principles are the basis of the land policy:

- land tenure and promotion of equitable distribution of land access to land by all citizens;
- improvement of land delivery systems;
- fair and prompt compensation when land rights are taken over or interfered with by the government;
- promotion of sound land information management;
- recognition of rights in unplanned areas;
- establishment of cost effective mechanisms of land survey and housing for low income families;
- improvement of efficiency in land management and administration and land disputes resolution, and
- protection of land resources from degradation for sustainable development.

Among the fundamentals of land policy which the land laws seek to implement are to ensure that:

- there is recognition that land has value;
- the rights and interest of citizens in land shall not be taken without due process of law; and
- full, fair and prompt compensation shall be paid when land is acquired.

3.3.3 *The Land Act and Village Land Act*

The *Land Act* and *Village Land Act* create three categories of land namely General Land, Village Land and Reserved Land. Besides these, there is also a category of Hazardous Land.

General Land is described as consisting of all land which is neither Village Land nor Reserved Land. All urban land falls under this category, except land which is covered by laws governing Reserved Land, or that which is considered Hazardous Land (designated as land too fragile to be developed and may include, e.g., wetlands). General Land is governed by the Land Act and, hence, is under the control and jurisdiction of the Commissioner for Lands. This ministerial key person has delegated many of his powers to local government land officers. Property rights can be created over General Land in terms of a grant of Right of Occupancy for a period of 33, 66 or 99 years confirmed by a Certificate of Title. Longstanding occupation of land (except of government land) is recognized as conferring property rights. In the case of land acquisition, all occupiers of land, irrespective of whether they have a granted right of occupancy or not, are eligible for compensation.

Granted rights of occupancy carry conditions including land development and the payment of land rent. Failure to abide with these conditions can lead to the loss of the right.

Village Land is defined as being the land falling under the jurisdiction and management of a registered village. As Tanzania consists of a vast countryside with only a few urban areas, most land in the country is Village Land. Each village is required to define three land-use categories within its own borders: 1) communal village land, 2) individual and family land, 3) reserved land (for future village expansion). Such reserved land is different from the Reserved Land under the Land Act. Village Land is held under customary tenure and the government can issue certificates of customary tenure (Certificate of Customary Right of Occupancy (CCRO) to individuals or communities where the village has been surveyed and has a Certificate of Village Land. Customary tenure is akin to freehold.

Reserved Land is defined as land being reserved and governed for purposes subject to nine specific laws. It includes protected areas such as national parks, forest reserves, wildlife reserves and marine parks as well as areas intended and set aside by spatial planning for (future) infrastructure and other development.

The Commissioner for Lands can convert land from one category to another.

By far the majority of land occupiers have no certificates of title, in part because land has to be surveyed before it can be issued with a title. However, there is a lot of "de facto" recognition of property rights for the majority of land occupiers.

3.4 ACQUISITION AND VALUATION OF LAND AND OTHER ASSETS

3.4.1 Land Acquisition

The *Land Acquisition Act 1967* is the principal legislation governing the compulsory acquisition of land in Tanzania. Some provisions of this Act have been superseded by the requirements of the *Land Act 1999*.

The Land Acquisition Act 1967

Sections 3-18 of the *Land Acquisition Act 1967* empower the President to acquire land, and provide the procedures to be followed when doing so. The President is empowered to acquire land in any locality provided that such land is required for public purposes.

The procedures provided by the *Land Acquisition Act* include: the investigation of the land to see if it is suitable for the intended purpose; notification to the landowners to inform them of the decision to acquire their land before the President takes possession; and payment of compensation to those who will be adversely affected. The law restricts compensation to un-exhausted improvements on the land excluding the land or such improvements as land clearing and fencing. This latter situation has been rectified by the *Land Act 1999*.

If land is required for public purposes the President (i.e. the responsible Minister) is required to give six weeks notice to those with an interest in the land in question or claiming to be interested in such land, or to the persons entitled to sell or convey the same. The Minister may, by notice, direct the persons to yield up possession of such land after the expiration of a period of not less than six weeks from the date of publication of the notice in the Gazette.

However, if the situation so demands, the notice can be shortened without the need to give explanation. After the expiration of the notice period the President is entitled to enter the land in question even before compensation is paid.

The person whose land is acquired is entitled to be compensated if they so deserve as provided for under section 11 and 12 of the Land Acquisition Act. The persons entitled to compensation are those interested or claiming to be interested in such land; or persons entitled to sell or convey the same or as the government may find out after reasonable inquiries.

Land Acquisition in the Land Act 1999

The *Land Act 1999* clarifies and adds certain aspects to be considered when determining the compensation package. Many other laws have provisions related to land acquisition, but they will always refer back to the *Land Acquisition Act* and the *Land Act*. Some of these laws are the *Village Land Act 2004*, the *Roads Act 2007*, *Urban Planning Act 2007*, *Land Use Planning Act 2007*, *Mining Act 2010* and others.

Tanzania has a dual system of land tenure concerning public lands: (i) customary rights and (ii) statutory rights of occupancy. Tenure rights to land can be held by individuals and by communities. Holdings of individuals can be covered by the following:

- Leasehold right of occupancy for varying periods e.g. 33, 66, or 99 years which must be confirmed by a certificate of occupancy.
- Customary rights of occupancy that must be confirmed by a Certificate of Customary Right of Occupancy (CCRO) or *Hati ya Ardhi ya Mila*) and have no term limit. Communities (Villages) are allowed to hold land and to manage it, although they do not formally own the land.

3.4.2 **Valuation**

The Land Acquisition Act (s.14) requires the following to be taken into account in assessing compensation:

- (a) take into account the value of such land at the time of the publication of notice to acquire the land without regard to any improvement or work made or constructed thereon thereafter or to be made or constructed in the implementation of the purpose for which it is acquired;
- (b) when part only of the land belonging to any person is acquired, take into account any probable enhancement of the value of the residue of the land by reason of the proximity of any improvements or works made or constructed or to be made or constructed on the part acquired;
- (c) take into account the damage, if any, sustained by the person having an estate or interest in the land by reason of the severance of such land from any other land or lands belonging to the same person or other injurious effect upon such other land or lands;
- (d) not take into account any probable enhancement in the value of the land in future; and
- (e) not take into account the value of the land where a grant of public land has been made in lieu of the land acquired.

A practice developed that since land belonged to the public, the valuation for compensation excluded the value of bare land. However, among the clarifications made in the Land Act 1999 were:

- (a) to take into account that an interest in land has value, and that value is taken into consideration in any transaction affecting that interest; and
- (b) that in assessing for compensation, the market value of the real property is taken into consideration.

Current practice is guided by the *Land (Assessment of the Value of Land for Compensation) Regulations, 2001*, and the *Village Land Regulations, 2001*, which provide that the basis for assessment of the value of any land, and that unexhausted improvement for the purposes of compensation is the market value of such land.

The market value of any land and unexhausted improvement is arrived at by the use of the comparative method evidenced by actual recent sales of similar properties, or by the use of the income approach or replacement cost method, where the property is of special nature and is not readily transacted in, in the market.

Assessment can only be carried out by a qualified valuer, and where the government (national and local) is involved such assessment must be verified by the Chief Valuer in the government.

Tanzanian laws indicate that current market values should be used as basis for valuation of land and properties. Regulation 3 of the Land Policy (Assessment of the Value of Land for Compensation) Regulations, 2001 and Part I-III of the Village Land Regulations, 2002 provide for practical guidelines on assessment of compensation. Full and fair compensation is only assessed by including all components of land quality. Presently in assessing the value of the unexhausted improvements for compensation purposes, the law emphasizes that the value should be the price that the said improvements can fetch if sold in the open market. In normal circumstances this is lower than the replacement value but higher than the initial construction cost of the said improvements.

A number of national laws have provisions requiring Environmental and Social Planning for investments that may cause adverse environmental impacts to the resource, and mitigation measures for individuals affected by development activities. Agriculture and land acts provide for rights of individuals whose property may be acquired and that they should be compensated according to national laws.

The *Local Government (District Authorities) Act No. 7, 1982* and *Local Government (Urban Authorities) Act No. 8, 1982* stipulate the functions of District/Urban councils. Issues of land are included as objectives of functions and therefore form part of the mandates of local government in their respective areas.

3.4.3 Compensation

The principal of paying compensation for land that is compulsorily acquired exists in both the constitution and in the relevant land laws.

Article 24 sub-article (2) of the Constitution states as follows:

"..... it shall be unlawful for any person to be deprived of property for the purposes of nationalization or any other purposes without the authority of the law which makes provision for fair and adequate compensation."

Under the *Land Acquisition Act, 1967*, the government is required to pay compensation for the land taken. The compensation may be as agreed upon, or as determined under the Act. The government may in addition to compensation and with agreement of the person entitled to compensation pay compensation as well as give alternative land. There are situations where the government is compelled to give alternative land (eg in cases where land was used as a cemetery) in lieu or in addition to compensation. The land granted must be of the same value and held under the same terms as the land acquired, and must be in the same local government authority area unless the person whose land is being acquired consents to be given land elsewhere.

The *Land Acquisition Act* does not provide for compensation where land is vacant. Besides, where land is inadequately developed, compensation is to be limited to the value of unexhausted improvements of the land.

However, provisions in the *Land Act 1999* over-ride or clarify those in the Land Acquisition Act. In the case of compulsory acquisition, the government is required:

To pay full, fair, and prompt compensation to any person whose **right of occupancy or recognized long-standing occupation or customary use of land** is revoked or otherwise interfered with to their detriment by the state under this Act or is acquired under the Land Acquisition Act; provided that in assessing compensation for the land acquired in the manner provided for under this Act, the concept of opportunity cost shall be based on the following:

- (i) Market value of the real property;
- (ii) Transport allowance;
- (iii) Loss of profits or accommodation;
- (iv) Cost of acquiring or getting the subject land;
- (v) Disturbance allowance;
- (vi) Any other cost, loss or capital expenditure incurred to the development of the subject land; and
- (vii) Interest at market rate to be charged in case of delays in payment of compensation and any other costs incurred in relation to the acquisition.

The *Land (Assessment of the Value of Land for Compensation) Regulations, 2001* and the *Village Land Regulations, 2001*, provide for the amount of compensation to include the value of unexhausted improvements, disturbance allowance, transport allowance, accommodation allowance and loss of profits.

Disturbance allowance is calculated by multiplying the value of the land by an average percentage rate of interest offered by commercial banks on fixed deposits for twelve months at the time of loss of interest in land.

Transport allowance is the actual cost of transporting twelve tonnes of luggage by road or rail whichever is cheaper within twenty km from the point of displacement

Accommodation allowance is calculated by multiplying the monthly market rent for the acquired property by thirty six months.

Loss of profit in the case of business carried out on the acquired property will be assessed by calculating the net monthly profit evidenced by audited accounts where necessary and applicable, and multiplied by thirty six months.

Transport allowance, accommodation allowance and loss of profit do not apply where the land acquired is unoccupied at the date of loss of interest.

Compensation for Agricultural Land

In the case of agricultural land, compensation is intended to provide a farmer whose land is acquired and used for project purposes to cover the productive values of the land, labour, and crop loss. For this reason, and for transparency, "land" is defined as an area: (i) in cultivation; (ii) being prepared for cultivation; or (iii) cultivated during the last agricultural season. This definition recognizes that the biggest investment a farmer makes in producing a crop is his/her labour. A farmer works on his/her land most of the months of the year.

The major input for producing a crop is not seed or fertilizer, but the significant labour put into the land each year by the farmer. As a result, compensation relating to land covers the market price of labour invested times the amount of time spent preparing a plot equivalent to that taken. The market price of the crop lost is considered separately.

The prices for cash crops are determined as the average value over the previous year, corrected for inflation. The prices for subsistence crops are determined as the highest value over the previous year, corrected for inflation. Crop values are determined based on a combination of staple foods and cash crops. Specifically, the 80/20 ratio of land that a farmer typically has in food crops and cash crops is used to determine the chances s/he would lose food crop rather than a cash crop income. Another way of valuing agricultural production is through the value of staple crops to be taken as the highest market price reached during the Year. This is based on three factors:

- (i) Although most farmers grow staple crops mainly for home consumption, they always have the option of selling these crops to take advantage of the market.

- (ii) Farmers most often purchase cereals when they have run out, during the "hungry season" when prices are high. Compensating at a lower value might put the individual or household at risk.
- (iii) Averaging the highest price of staple foods yields a high per hectare value that reimburses for the vegetables and other foods that are commonly inter-cropped with staples, but are almost impossible to measure for compensation.

The other compensation rates cover the labour cost for preparing replacement land based on a calculated value that would cost a farmer to clear and create replacement land. This value is found by adding together the average costs of clearing, ploughing, sowing, weeding twice, and harvesting the crop. Labour costs will be paid in Tanzania shillings, at the prevailing market rates.

All agricultural labour activities are included for two reasons: first, all land labour will be compensated at the same rate; second, it is difficult to forecast the growing season that would define acquisition of the land. The final consideration is when land compensation covers all investments that a farmer will make. In certain cases, assistance may be provided to land users in addition to compensation payments, for example, if the farmer is notified that his/her land is needed after an agriculturally critical date. Often, the timing coincides with the time when the farmer no longer has enough time to prepare other land without additional labour. Assistance will be provided in the form of labour-intensive village hire, or perhaps mechanized clearing, so that replacement land will be ready by the sowing dates. The farmer will still continue to receive his/her cash compensation so that the compensation can cover the costs of sowing, weeding and harvesting.

Compensation for Structures

Compensation for structures is paid by replacing at cost, for example, huts, houses, farm outbuildings, latrines and fences. Any homes lost will be rebuilt on acquired replacement land, however cash compensation would be available as a preferred option for structures (i.e. extra buildings) lost that are not the main house or house in which someone is living. The going market prices for construction materials will be determined. Alternatively, compensation will be paid in-kind for the replacement cost without depreciation of the structure.

Compensation is made for structures that are: (i) abandoned because of relocation or resettlement of an individual or household; and (ii) directly damaged by construction activities.

Replacement values are based on:

- Drawings of the individual's residence and all its related structures and support services;
- Average replacement costs of different types of household buildings and structures based on collection of information on the numbers

and types of materials used to construct different types of structures (e.g. bricks, rafters, bundles of straw, doors etc.) For vulnerable groups (as described in *Section 5.1*), replacement values will be based on actual replacement cost;

- Prices of these items collected in different local markets;
- Costs for transportation and delivery of these items to acquired/replacement land or building site; and
- Estimates of construction of new buildings including labour required.

3.4.4 *Dispute Resolution and Grievance Mechanisms*

Where there is a dispute, the government tries to reach an amicable solution through persuasion. If a solution is not found within six weeks, under the Land Acquisition Act, 1967, application can be made to the High Court of Tanzania for the determination of the dispute.

Every suit instituted shall be governed insofar as the same may be applicable by the Civil Procedure Code and the decree of the High Court of Tanzania may be appealed against to the Court of Appeal.

Since the coming into operation of the Courts (Land Disputes Settlements) Act, 2002, disputes concerning land acquisition and compensation are dealt with by the Land Division of the High Court.

In the case of a dispute as to the amount to be paid, either the Minister or the person claiming compensation may refer such dispute to the Regional Commissioner for the region in which the land is situated and the decision of the Regional Commissioner shall be final.

3.5 *WORLD BANK OP 4.12 PROCEDURES FOR RESETTLEMENT*

The World Bank's Safeguard Policy OP 4.12 applies to all components of the programme and to all economically and /or physically affected persons, regardless of the number of people affected, the severity of impact and the legality of land holding.

The primary objectives of OP 4.12 are as follows:

- Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.
- Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the

persons displaced by the project to share in project benefits. Displaced persons³ should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

- Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher

The Operational Policy 4.12 has requirements for:

- High levels of consultation and disclosure and a participatory process;
- Assistance with physical displacement;
- Particular attention must be given to the needs of vulnerable groups especially those below the poverty line, the landless, the elderly, women and children, indigenous groups, ethnic minorities and other disadvantaged persons;
- Exploring all viable alternative project design to avoid physical displacement of indigenous peoples to the extent possible;
- Replacement of assets rather than cash compensation, unless in specific circumstances;
- A process to define eligibility for benefits according to certain criteria and determination of entitlements according to eligibility;
- The development of appropriate resettlement planning, implementation and monitoring documents including a resettlement plan or framework that achieves the objective of OP4.12. The Policy requires that a resettlement action plan shall be prepared and cleared by the Bank prior to implementing resettlement activities;
- Grievance mechanisms to be in place at the early stages of the resettlement processes
- Inclusion of costs of resettlement in the overall cost of the Project; and
- Monitoring and Evaluation of resettlement and its impacts, and determination of whether requirements under the RPF and subsequent RAPs have been effectively implemented

The Bank also requires that the provision of compensation and other assistance to Project Affected Persons, to restore livelihoods when these are affected appreciably, shall be done prior to the displacement of people. In particular, the policy requires that possession of land for project activities may take place only after compensation has been paid. Resettlement sites, new homes and related infrastructure, public services and moving allowances must be provided to the affected persons in accordance with the provisions of the RAP.

All of these requirements are set out in *Table 4.1* below.

Furthermore, OP4.12 provides a compensation framework, which has different requirements for different types of assets and requires that:

- for agricultural land, land of equal productive use or potential, prepared to a similar level and located in the vicinity of the affected land;
- for residential land, land of equal size and use, with similar infrastructure and services and located in the vicinity of the affected land;
- for structures, full replacement cost to purchase or build new structures of a similar size and quality to affected houses and other affected structures; and
- subsidies are provided to assist affected persons with costs associated with the transition period in the resettlement site e.g. moving costs, living allowance, business losses and lost production etc.

Accordingly, the RPF principles under SAGOT are:

- 1. Involuntary resettlement and land acquisition will be avoided where feasible, or minimized, where it cannot be eliminated.*
- 2. This RPF applies to all PAPs regardless of the total number affected, the severity of the impact and whether or not they have legal title to the land. Informal or customary tenure is to be treated in the same manner as formal, legal titles.*
- 3. Where involuntary resettlement and land acquisition are unavoidable, resettlement and compensation activities will be conceived and executed as sustainable development programs, providing resources to give PAPs the opportunity to share project benefits.*
- 4. PAPs will be meaningfully consulted and will participate in planning and implementing of the resettlement activities.*

5. *PAPs will be assisted in their efforts to ideally improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or levels prevailing prior to the beginning of the project implementation, whichever is higher.*
6. *Measures to address resettlement shall ensure that project affected peoples are informed about their options and rights pertaining to resettlement, are included in the consultation process and given the opportunity to participate in the selection of technically and economically feasible alternatives. They will also be provided prompt and effective compensation at full replacement cost for losses of assets and access attributable to the project investments.*
7. *Projected affected persons if resettled will be supported to integrate economically and socially into host communities so that adverse impacts on host communities and vice versa are minimized. To this end, appropriate patterns of social organization will be promoted and existing social and cultural institutions of PAPs will be supported to the greatest extent possible.*
8. *All PAPs will be identified and recorded as early as possible, preferably at individual investment identification stage, in order to protect those affected by the project and prevent an influx of illegal encroachers, squatters, and other non-residents who will wish to take advantage of such benefit.*
9. *Particular attention will be paid to the needs of vulnerable groups among those displaced; especially those below the poverty line, the landless, the elderly, women and children, orphans, marginalized groups and the ethnic minorities or other displaced persons who may not be protected through the Tanzanian law. The objective is to provide whatever additional assistance may be necessary to restore pre-project living standards.*
10. *The implementation of individual RAPs must be completed prior to the implementation of the investments under SAGOT.*

Furthermore, this RPF applies to other activities resulting in involuntary resettlement, that in the judgment of the Bank are a) directly and significantly related to SAGOT investments; b) necessary to achieve its objectives as set forth in the project documents; and c) carried out, or planned to be carried out, at the same time as the project.

As noted above, investments under SAGOT will avoid or at least minimize involuntary resettlement to the extent possible. However, where it is unavoidable, appropriate measures to mitigate adverse impacts will be carefully planned and implemented following the general framework outlined in this document.

3.6

COMPARISON BETWEEN WORLD BANK B OP 4.12 AND TANZANIAN LEGISLATION

There is no specific resettlement legislation in Tanzania, although there are many legislative requirements around land acquisition and compensation. These laws are comprehensive but differ in several ways from the Bank's OP 4.12 (Involuntary Resettlement) policy. For example, entitlements for payment

of compensation are essentially based on the right of ownership. This limits the rights of non-formal occupants like slum dwellers and tenants who are recognized as being entitled to compensation by the Bank's OP 4.12. The provision that affected persons are entitled to some form of compensation whether or not they have legal title (if they occupy the land before a specified cut-off date) is not explicit in Tanzanian laws, although in practice such people are sometimes compensated. A comparison of Tanzanian and World Bank policies and practice on compensation and resettlement is given in *Table 3.1*.

The major gaps between the two approaches are in the following areas.

- **Extent of entitlement:** World Bank OP4.12 includes affected parties with non-formal property rights, while this does not apply in all instances in Tanzania.
- **Timing of payments:** World Bank OP4.12 requires payment before loss of assets, while the Tanzanian legislation does not have this requirement.
- **Relocation and resettlement:** World Bank OP4.12 requires additional assistance with resettlement (such as establishment of new sites etc) while this is not a requirement in Tanzanian legislation.
- **Livelihood restoration:** The World Bank OP4.12 requires that livelihoods are improved or at least restored, while the Tanzanian legislation contains no requirements for livelihood restoration.
- **Consultation:** World Bank OP4.12 requires extensive consultation throughout the resettlement process, while limited consultation is required through Tanzanian legislation.
- **Grievance mechanisms:** World Bank OP4.12 requires that a grievance mechanism is established as early as possible in the project development phase, while the Tanzanian Government does not require the same.

Table 3.1 Comparison of Tanzanian and World Bank Policies on Resettlement and Compensation

Types of affected Persons/Lost Assets	Tanzanian Law	World Bank OP 4.12	Comparison/Gaps
Land Owners	<p>The <i>Land Acquisition Act</i>, the <i>Land Act</i> 1999 and the <i>Village Land Act</i> 1999 clearly state that land owners, with or without formal legal rights, are entitled to full, fair and prompt compensation. They also get disturbance allowance, transport allowance, accommodation allowance and loss of profit if they were in actual occupation of the acquired property.</p>	<p>Displaced persons are classified into three groups:</p> <ul style="list-style-type: none"> a) those who have formal legal rights including customary and traditional rights; b) those who do not have formal legal rights to the land but have a claim to such land or assets provided that such claims are recognized under the law of the country c) those who have no legal rights to the land they are occupying 	<p>There is no gap between Tanzania and OP 4.12 as far as those with formal legal rights and those without formal legal rights are concerned</p> <p>However, the lost assets in Tanzania are restricted to land and developments on land, and where relevant, loss of profits. The lost assets under OP 4.12 are much wider than land and include loss of access to livelihoods and standard of living; the policy seeks to improve them or at least to restore them to pre-displacement levels.</p>
Land Tenants/Squatters	<p>Lost assets are limited to “unexhausted improvements”, that is the land and developments on the land.</p> <p>The law does not cover economic and social impacts of relocation and as such socio-economic surveys are not part of the land acquisition process.</p> <p>Tanzanian law does not recognize tenants as being entitled to compensation.</p> <p>Squatters may or may not be paid compensation, depending on the whim of the government. Typically persons with buildings in road reserves are not paid.</p>	<p>Land owners under categories (a) and (b) above, are among the PAPs who are entitled to full, fair and prompt compensation as well as other relocation assistance.</p> <p>Socio-economic impacts on PAPs are taken into consideration in preparing the RAP.</p> <p>Renters and tenants of residential properties are eligible for relocation assistance. Renters of businesses are also eligible for relocation and other assistance. In addition, compensation for the loss of income during transition.</p> <p>Squatters may fall into category (c) above and are provided resettlement assistance in lieu of compensation for the land they occupy as well as other relocation assistance.</p>	<p>OP 4.12 recognises a wider spectrum of PAPs. The Tanzania spectrum is limited to those who can prove proprietary rights. It does not include tenants.</p> <p>OP 4.12 includes squatters among the PAPs who are entitled to resettlement as well as other assistance to ensure they will not be worse off as a result of the project.</p> <p>This is different from the Tanzanian situation where such people are not entitled to any assistance.</p>

Types of affected Persons/Lost Assets	Tanzanian Law	World Bank OP 4.12	Comparison/Gaps
Land Users	Tanzania law on compulsory acquisition and compensation is limited to those who can prove <i>de jure</i> or <i>de facto</i> land ownership. Users are not covered	WB OP 4.12 includes displaced persons who have no recognizable legal right or claim to the land they are occupying	
Owners of non-permanent buildings Owners of permanent buildings	Tanzanian law makes no differentiation between owners of permanent and non-permanent buildings. As long as ownership can be proved compensation is payable. Determination of compensation is based on the market value of the property. In practice though, the depreciated replacement cost approach is used, meaning that PAPs do not get the full replacement cost of the lost assets.	Under OP 4.12 permanent and non-permanent buildings need to be compensated. Where displaced persons have no recognizable legal rights they are to be provided with resettlement assistance in lieu of compensation for the land they occupy, as well as other assistance. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.	The gap between Tanzanian law and WB OP 4.12 is about eligibility, which hinges upon formal or informal ownership. In Tanzania compensation is based on market value, determined using the depreciated replacement cost approach for developments on land, but OP 4.12 requires that compensation should be sufficient to replace the lost land and other assets at full replacement cost.
Timing of compensation payments	Tanzanian law requires that compensation be full, fair and prompt. Prompt means it should be paid within six months, failure to do which attracts an interest rate equivalent to the average rate offered by commercial banks on fixed deposits. Legally, compensation for the acquired land does not have to be paid before possession can be taken. In practice, compensation is not paid promptly most of the time, and delays are not rectified by paying the interest rate as required by the law.	WB OP 4.12 displaced persons are provided prompt and effective compensation at full replacement cost for losses of assets directly attributable to the project	In terms of timing, both Tanzanian laws and WB OP 4.12 require that compensation be paid promptly. However, in practice the compensation in Tanzania can happen after the construction starts.
Calculation of compensation and valuation	According to the <i>Land Assessment of the value of Land for Compensation</i>)	WB OP 4.12 requires that the displaced persons be provided with	Tanzanian law provides for the calculation of compensation on the

Types of affected Persons/Lost Assets	Tanzanian Law	World Bank OP 4.12	Comparison/Gaps
Relocation and Resettlement	<p><i>Regulations, 2001, as well as the Village Land Regulations, 2001, compensation for loss of any interest inland shall include the value of unexhausted improvements, disturbance allowance, transport allowance, accommodation allowance, and loss of profits.</i></p>	<p>prompt and effective compensation at full replacement cost for losses of assets attributable direct to the project.</p>	<p>basis of the market value of the lost land and unexhausted improvements, plus a disturbance, accommodation, and accommodation allowance, and loss of profits where applicable.</p>
	<p>The basis for assessment any land and unexhausted improvement for purposes of compensation is the market value of such land.</p>	<p>Replacement cost is the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. Depreciation is not to be taken into account when applying this method.</p>	<p>Since depreciation is applied, in most cases the amount paid does not amount to that required to replace the lost assets. In addition, other types of assets (besides land) are not taken into consideration.</p>
	<p>The market value is arrived at by the use of comparative method evidenced by actual recent sales of similar properties; or by the use of the income approach, or replacement cost method, where the property is of special nature and not saleable.</p>	<p>For losses that cannot easily be valued or compensated in monetary terms (eg access to public services, customers and suppliers, or to fishing, grazing or forest areas) attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities.</p>	
	<p>In practice, with land an attempt is made to establish market value from recent sales, but these are usually not transparent. As for unexhausted improvements in terms of buildings and other civil infrastructure, the depreciated replacement cost approach is used.</p>		
	<p>Tanzanian laws do not provide for relocation and resettlement. However, there are a few cases where the government has provided both compensation and alternative land, but this has been done at its discretion. In general however, the government feels that it has discharged its duty once</p>	<p>WB OP 4.12 stipulate that where project impacts include physical relocation, measures should be taken to ensure that the displaced persons are: (i) provided with assistance (such as moving allowance) during relocation; and (ii) provided with residential housing, or housing sites, or, as required, agricultural sites for</p>	<p>Tanzanian law provides for transport allowance for 12 tonnes of luggage for up to 12 km from the acquired land, provided the displaced person was living on that land. In lieu of housing accommodation allowance is made in the form of rent for 36 months.</p>

Types of affected Persons/Lost Assets	Tanzanian Law	World Bank OP 4.12	Comparison/Gaps
Completion of resettlement and compensation	<p>compensation is paid, and it is up to the displaced persons to resettle and re-establish themselves elsewhere.</p> <p>The government can, under the law, take possession of the acquired land at the end of the notice to acquire period, before paying compensation.</p>	<p>which a combination of productive potential, locational advantages and other factors is at least equivalent to the advantages lost.</p> <p>WB OP 4.12 stipulates that it is necessary to ensure that displacement or restriction to access does not take place before necessary measures for resettlement are in place. In</p>	<p>Occasionally, in a discretionary decision, alternative land is awarded.</p> <p>The <i>Land Acquisition Act, 1967</i>, allows the government to take possession of the acquired land before paying compensation.</p>
Livelihood restoration and assistance	<p>Current practice however is such that possession is usually after the payment of compensation whereby the displaced persons are given time to vacate the land, which is usually as soon as possible</p> <p>There are no legal provisions requiring the government to restore livelihood or to provide assistance towards the restoration of such livelihoods.</p>	<p>particular, taking of land and related assets may take place only after compensation has been paid, and where applicable, resettlement sites and moving allowance have been provided to the displaced persons.</p> <p>WB OP 4.12 provides that the resettlement plan or policy include measures to ensure that the displaced persons are (i) offered support after displacement for a transitional period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standard of living; and, (ii) provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training or job opportunities.</p>	<p>Current practice endeavours to pay compensation before taking possession of the land.</p> <p>There are no transitional measures provided for under Tanzanian law and practice; nor are there provisions for compensation as a result of restrictions on access to livelihoods.</p>
Consultation and disclosure	<p>Indeed, compensation is not payable in the case of restrictions on access to areas of livelihood opportunities.</p> <p>Moreover there are no provisions that require the government to pay special attention to vulnerable groups or indigenous peoples.</p> <p>There are few provisions related to consultation and disclosure in Tanzanian law.</p> <p>The notice, under the <i>Land Acquisition Act</i>, informs land owners about the President's need to acquire their land, and their right to give objections. The Land Act allows displaced persons to fill in forms requiring that their land</p>	<p>time likely to be needed to restore their livelihood and standard of living; and, (ii) provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training or job opportunities.</p> <p>WB OP 4.12 requires that displaced persons are (i) informed about their options and rights pertaining to resettlement; and, (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives.</p>	<p>Tanzanian law does not make provisions requiring the government to pay special attention to vulnerable groups in the administration of compensation.</p> <p>The provisions in OP 4.12 requiring consultation and disclosure have no equivalent in Tanzanian law and practice.</p>

Types of affected Persons/Lost Assets	Tanzanian Law	World Bank OP 4.12	Comparison/Gaps
Grievance mechanism and dispute resolution	<p>be valued, and giving their own opinion as to what their assets are worth.</p> <p>Since resettlement is not provided for legally, there are no provisions about informing the displaced persons about their options and rights; nor are they offered choice among feasible resettlement alternatives.</p> <p>Under s. 13 of the <i>Land Acquisition Act</i>, where there is a dispute or disagreement relating to any of the following matters:</p> <ul style="list-style-type: none"> (a) the amount of compensation; (b) the right to acquire the land; (c) the identity of persons entitled to compensation; (d) the application of section 12 to the land; (e) any right privilege or liability conferred or imposed by this Act; (f) the apportionment of compensation between the persons entitled to the same and such dispute or disagreement is not settled by the parties concerned within six weeks from the date of the publication of notice that the land is required for a public purpose the Minister or any person holding or claiming any interest in the land may institute a suit in the High Court of Tanzania for the determination of the dispute. <p>In practice the government tries to resolve grievances through public meetings of the affected persons.</p>	<p>OP 4.12 provides that displaced persons and their communities, and any host communities receiving them, are provided with timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning implementing and monitoring resettlement. Appropriate and accessible grievance mechanisms must be established for these groups.</p>	<p>The law in Tanzania does not provide for the establishment of grievance resolution mechanisms specific to particular resettlement cases.</p>

4 RESETTLEMENT: COMPENSATION FOR LAND AND OTHER ASSETS

4.1 SCOPE OF APPLICATION

As described in *Section 3.3*, the RPF guidelines apply to sub-projects that arise as a result of the Specific Investment Loan (SIL) as provided to SAGCOT by the World Bank. The RPF applies to activities in those sub-projects (or components) affecting people who would be physically displaced, lose land or other assets or who would lose some or all access to resources, and regardless of the total number affected, the severity of impact, or their legal status (e.g. the RPF guidelines apply also to those with ill-defined, customary or no title to the land).

The RPF pays special attention to the needs of vulnerable groups among the PAPs, especially households with incomes below the national poverty line, including the landless, elderly and disabled, women and children, indigenous groups and ethnic minorities, and other historically disadvantaged people.

Although the exact nature and locations of sub-projects are unknown, the following categories of PAPs will be used in identifying groups of PAPs for the purpose of determining impacts.

- **Project affected persons (PAPs)** are individuals whose assets may be lost, including land, property, other assets, and/or access to natural and/or economic resources as a result of activities related to SAGCOT SIL sub-project(s).
- **Project affected households** are groups of PAPs in one household where one or more of its members are directly affected by a SAGCOT SIL investment. These include members like the head of household, male, and female members, dependent relatives, tenants, etc.

Vulnerable groups of people. From these households, the SAGCOT SIL investor will separately identify the vulnerable members, such as those who are old or ill; children; those with HIV/AIDS; women; unemployed youth; etc. Households headed by women who depend on sons, brothers, and others for support is especially vulnerable. Similarly, households with elderly or seriously ill persons are eligible for additional support. A more detailed description of vulnerable groups can be found in of the SAGCOT SRESA report.

4.2 RPF IMPLEMENTATION ARRANGEMENTS

The SAGCOT project is a public-private initiative and any compensation and resettlement will be the responsibility of the investor, in conjunction with the Government of Tanzania. The process of resettlement and compensation will be in line with Tanzanian legislative requirements (as described in *Section 4*),

augmented in certain areas to bring these into line with World Bank Safeguard Policy OP 4.12 as set out in this RPF (as described in *Table 4.1*).

4.2.1 National Level Institutions and Responsibilities

At a National level, the parties responsible for the application of the RPF to SAGCOT SIL investments/ subprojects will be the following.

- The SAGCOT Centre, ensuring that the RPF requirements are a requirement of inclusion in the SAGCOT programme. This will apply only to those investors whose proposals qualify for funding through the SIL. The SAGCOT Centre will also be responsible for monitoring and evaluation of resettlement activities associated with the SAGCOT SIL and for reporting on these activities and indicators to the World Bank. As part of this, the Centre will determine whether an appropriate Resettlement Budget has been determined by the Investor, where required, and that this is sufficient to meet the objectives of this RPF.
- TIC, in ensuring that the RPF requirements are a pre-requisite for investors to get access to a Certificate of Investment.
- The Ministry of Lands, Housing and Human Settlements Development for ensuring that the Land Acquisition Process is in line with national requirements, particularly that compensation is full, fair and prompt, as per Section 3 (1) (h) of the Village Land Act respectively.
- The National Land Valuer for preparing valuation forms, approving the valuation process and compensation amounts calculated.
- The Ministry of Agriculture, Food Security and Cooperatives for providing statistics on crops and productivity per ha. This must be made available to the valuation officers responsible for the valuation process.
- The Ministry of Natural Resources and Tourism, for providing statistics and values of trees per hectare.

4.2.2 District Level Institutions and Responsibilities

At a District level, the parties responsible for the application of the RPF include:

- The District Executive Director, for liaising with the TIC/MLHHSD regarding the availability of land for the investor, contacting the relevant Village Council(s) and introducing investors to Village Councils; and

- The District Lands Department for facilitating the evaluation, census and evaluation process and for negotiations between the SAGCOT SIL investor and the Village Council and PAPs. Also for payment of compensation after the valuation report has been approved, and deals with any conflict that may arise.

4.2.3 Village Level Institutions and Responsibilities

At a Village level, the parties responsible for the application of the RPF include:

- The Village Council, in its capacity as having jurisdiction over Village Land, identifying potential land for investment through the Land Use Planning process, for consultation with the villages and individual land owners, and for identifying replacement land for the individual land owners/PAPs;
- The Village Assembly, for approving the acquisition of land by investors (for up to 50 ha) and the right for individual land owners to receive compensation and replacement land through this process; and
- The individual land owners, for taking part in the land acquisition process, consultation and in assisting to design the compensation measures.

4.2.4 Investor Institutions and Responsibilities

It is the SAGCOT SIL investor's responsibility to ensure that the Resettlement Action Plan (RAP) associated with their investment is undertaken according to all of the procedures and principles as set out in this RPF. As part of its responsibilities, the investor will set up a RAP Team responsible for all resettlement activities associated with their subproject. This team will include one of the investor's senior representatives with authority for decision making on resettlement spending. This team will be responsible for the following:

- Negotiation with the Village Council and PAPs regarding compensation and identification of replacement land.
- Work with the Government to transfer funds and have funds available for timely implementation. Where the Government may be delayed in the payment of compensation to PAPs, this may require provision of compensation to PAPs in the interim, for payment by Government to the investor.
- Ensure that replacement land, where applicable, is available to the PAPs prior to the start of any activities on the land.
- Allowing PAPs to harvest prior to relocation, wherever feasible in relation to the development of the subproject.
- Ensure that sufficient capacity and resources are made available for implementation of the RAP in a way that meets the requirements of this RPF.

- Facilitate any monitoring and evaluation activities to be undertaken by the SAGCOT Centre and by other institutional representatives such as MLHSD, where required.

4.3 IDENTIFICATION OF RESETTLEMENT AND COMPENSATION IMPACTS

4.3.1 Social and Environmental Assessment

During implementation of SAGCOT, a social and environmental impact assessment will be conducted for each sub-project, as per the requirements of the ESMF. This assessment will be commissioned by the investor, to identify whether there may be resettlement impacts due to land acquisition or impact on livelihoods.

Should resettlement impacts be identified, this will trigger the need for a Resettlement Action Plan (RAP) to be developed for each specific sub project. The following procedural guidelines will apply when it is determined that a RAP must be developed.

4.4 PREPARATION OF RESETTLEMENT ACTION PLAN

A Resettlement Action Plan will be developed as commissioned by the investor and supported by the SAGCOT implementing bodies. The scope and level of detail of the RAP will vary depending on the magnitude and complexity of resettlement or displacement. The RAP will be prepared based on the most recent and accurate information.

The RAP will describe the impacts that give rise to resettlement and the need for compensation, the types of affected parties (PAPS), what each type of PAP is entitled to (in an Entitlements Matrix), the procedures for resettlement and compensation and the implementation schedule and budget for resettlement. It will also describe the alternative land and/or assets identified for non-cash compensation.

The contents of the Resettlement Action Plan (RAP) for each subproject will include those aspects as described in the box below. A more detailed Table of Contents can be found in *Annex 2*.

Box 4.1 Contents of a Resettlement Action Plan

Description of the Sub-Project

Potential Impacts

- Sub-project components/ activities requiring resettlement or restriction of access
- Zone of impact of components or activities
- Alternatives considered to avoid or minimise displacement or restricted access
- Mechanisms to minimise displacement or restricted access

Objectives of the Resettlement Programme

Socio-Economic Baseline

-
- Census and description of current occupants of the area, with cut-off date (to avoid encroachment and influx)
 - Socio-economic characteristics of displaced households and the affected community
 - Magnitude of expected loss and extent of displacement
 - Information on vulnerable persons
 - Other information such as land tenure characteristics, common property, patterns of social interaction, cultural characteristics, public infrastructure and services etc

Legal Framework (this section should be taken directly from this RPF unless some new legislations are passed by the time of RAP preparation)

- Existing land acquisition, compensation and property laws
- Laws and regulations relating to the agencies responsible for implementing resettlement activities
- Applicable legal and administrative procedures

Institutional Framework

- Agencies and offices responsible for resettlement activities and other civil society groups
- Institutional capacity of these agencies and groups
- Activities for enhancing institutional capacity

Eligibility

- Definition of displaced persons or PAPS and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates

Valuation of and Compensation for Losses

- Methodology for valuing losses or damages
- description of proposed types and levels of compensation

Resettlement Measures

- Compensation and other measures for assisting each category of PAP, including livelihood restoration

Site Selection, Site Preparation and Relocation

- Description of alternative relocation sites
- Institutional and technical arrangements for identifying and preparing sites
- Measures to prevent land speculation
- Procedures for physical resettlement

Housing, Infrastructure and Social Services

- Plans for provision of housing, infrastructure and social services
- Description of other necessary site developments

Environmental Protection and Management

- Potential environmental impacts of the proposed resettlement area
- Measures to avoid, mitigate and manage these impacts

Community Participation

- A strategy for consultation with, and participation of, PAPS and host communities throughout the entire resettlement process, in line with the World Bank requirements

Grievance Procedures

- Mechanisms for ensuring that an affordable and accessible procedure is in place for third-party settlement of disputes arising from resettlement

RAP Implementation Responsibilities

- A description of RAP implementation responsibilities of various parties

Implementation Schedule

- An implementation schedule covering all RAP activities from preparation, implementation, and monitoring and evaluation, linking this to the overall project

Costs and Budget

- Detailed (itemized) cost estimates for all RAP activities, including allowances for inflation, population growth, and other contingencies; timetable for expenditures; sources of funds; and arrangements for timely flow of funds

Monitoring and Evaluation

- Arrangements for monitoring of RAP activities by the investor, and the independent monitoring of these activities. Also for reporting to the SAGCOT centre.
-

In developing the RAP for the SAGCOT SIL sub-project, the following overarching guidelines will be applied.

- **Consultation and participatory approaches.** A participatory approach is adopted throughout the development and implementation of the RPF. This must begin at the initiation of the RAP and associated compensation process. Consultation must start during the planning stages of the SAGCOT SIL sub-project, i.e. when the technical designs are being developed and when land is being selected. The consultation approach must involve PAPs throughout the census for identifying eligible PAPs and throughout the RAP preparation and implementation process.
- **Disclosure and notification.** All eligible PAPs must be informed about the SAGCOT SIL sub-project development and the RAP process. A cut-off date must be established as part of determining PAPs eligibility. In special cases where there are no clearly identifiable owners or users of the land or asset, the RAP team must notify the respective local authorities and leaders. A “triangulation” of information – affected persons, community leaders and representatives, and an independent agent (e.g. local organization or NGO, other government agency, land valuer) – may help to identify eligible PAPs. The RAP team must notify PAPs about the established cut-off date and its significance. PAPs must be notified both in writing and by verbal notification delivered in the presence of all the relevant stakeholders.
- **Documentation and verification of land and other assets.** The government authorities at both national and local levels, community elders and leaders, representatives from the SAGCOT SIL investments will arrange meetings with PAPs to discuss the compensation and valuation process. For each individual or household affected by the sub-project, the RAP preparation team will complete a Compensation Report containing necessary personal information on the PAPs and their household members; their total land holdings; inventory of assets affected; and demographic and socio-economic information for monitoring of impacts. This information will be documented in a Report, and ideally should be “witnessed” by an independent or locally acceptable body (e.g. a Resettlement Committee made up of the various institutional representatives as described in *Section 5.2*). The Reports will be regularly updated and monitored. This will feed into the overall RAP.
- **Compensation and valuation.** Compensation to PAPs will be full, fair and prompt, as per the requirements of the Land Act and Village Land Act. Compensation and valuation will be undertaken as per the requirements set out in *Section 7* of this RPF. All types of compensation will be clearly explained to the individual and households involved.

These refer especially to the basis for valuing the land and other assets. Once such valuation is established, the SAGCOT SIL investor will produce a Contract or Agreement that lists all property and assets being acquired by the sub-project and the types of compensation selected. *Table 6.1* below provides a sample of entitlements that are eligible for compensation. These options include in-kind (e.g. replacement housing) and cash compensation. All compensation should occur in the presence of the affected persons and the local community leaders.

5 **ELIGIBILITY AND ENTITLEMENT**

Establishing eligibility criteria for entitlement purpose is essential for ensuring that a fair process of compensation takes place, in line with the requirements of this RPF.

5.1 **ELIGIBILITY**

With the application of the World Bank OP 4.12 procedures, the following project affected citizens will be eligible for compensation:

- a) Those who have formal rights to land (including customary and traditional rights of occupancy recognized under the Laws of Tanzania);
- b) Those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets provided that such claims are recognized under Tanzanian laws, or become recognized through a process identified in the resettlement and compensation plan; and
- c) Those who have no claim to land they are occupying or using.

Those covered under a) and b) above are to be provided compensation for land they lose, and other assistance in accordance with the policy. Persons covered under c) above are to be provided with resettlement assistance in lieu of compensation for the land they occupy or use, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy or use the project area prior to a cut-off date established by the responsible parties (including the RAP team and the District Authorities) and that are acceptable to the Bank. All persons included in a), b) or c) above are to be provided with compensation for loss of assets other than land.

The eligibility cut-off date refers to the time when the assessment of persons and their property in the area is carried out, i.e. the time when the project area has been identified; the socio-economic study is taking place. Thereafter, no new cases of affected people will be considered. Persons who encroach on the area after the socio-economic study (census and valuation) are not eligible for compensation or any form of resettlement assistance. Property inventories with other relevant socio-economic surveys, and fixing a cut-off-date after proper consultation and announcement, are instrumental to avoid unnecessary and sometimes fraudulent claims for compensation.

Within these eligible categories, there are PAPs that are eligible for different types of compensation. For the purposes of this RPF as applicable to SAGCOT SIL investments, the following types of PAPs are likely to be requiring some form of compensation:

- land owners with formal title to the land;
- land owners with customary title to the land;

- tenants/ lease holders with no title to the land;
- business owner with title to the land and property;
- business person who is a tenant/ who has a lease hold on the property;
- informal business owners;
- informal dwellers/ squatters on land; and
- pastoralists with access but no title to the land.

5.2

ENTITLEMENT

The entitlement to compensation will be determined by the type of impact on the PAPs and their status. An example of an entitlement matrix is set out in *Table 6.1* below, providing guidance for eligibility and entitlement according to the RPF. This can be used as a template for an investor's resettlement process, but must be amended to be appropriate to the situation and to incorporate discussions and agreements with affected stakeholders and Government.

Table 5.1 Entitlement Matrix

Land and Assets	Types of Impact	PAP	Compensation
LAND			
Agricultural Land	Less than 20% of land holding affected	Land Owner	Cash compensation for affected land equivalent to replacement value
	Land remains economically viable.	Tenant/ lease holder	Cash compensation for the harvest or product from the affected land or asset, equivalent to average market value of last 3 years, or market value of the crop for the remaining period of tenancy/ lease agreement, whichever is greater.
Agricultural Land	More than 20% of land holding lost OR Less than 20% of land holding lost but remaining land not economically viable	Land Owner	Land for land replacement where feasible, or compensation in cash for the entire landholding according to PAP's choice.
			Land for land replacement will be in terms of a new parcel of land of equivalent size and productivity with a secure tenure status at an available location which is acceptable to PAPs. Transfer of the land to PAPs shall be free of taxes, registration, and other costs.
		Relocation assistance (costs of shifting + assistance in re-establishing economic trees + allowance up to a maximum of 12 months while short- term crops mature)	
		Relocation assistance (costs of shifting + assistance in re-establishing economic trees + allowance up to a maximum of 12 months while short-term crops mature).	
		Tenant/ Lease holder	Cash compensation equivalent to average of last 3 years' market value for the mature and harvested crop, or market value of the crop for the remaining period of tenancy/lease agreement, whichever is greater.
			Relocation assistance (costs of shifting + assistance in re-establishing economic trees + allowance up to a maximum of 12 months while short-term crops mature.
		Non-title-holder (eg Pastoralists)	Grazing area replacement to land of sufficient carrying capacity to sustain herd size, with support infrastructure. Secure tenure status at an available location which is acceptable to PAPs. Transfer of the land to PAPs shall be free of taxes, registration, and other costs.

Land and Assets	Types of Impact	PAP	Compensation
Commercial Land	Land used for business partially affected	Title holder/ business owner	Cash compensation for affected land. Opportunity cost compensation equivalent to 5% of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist).
	Limited loss	Business owner is lease holder	Opportunity cost compensation equivalent to 10% of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist)
Commercial Land	Assets used for business severely affected	Title holder/business owner	Land for land replacement or compensation in cash according to PAP's choice. Land for land replacement will be provided in terms of a new parcel of land of equivalent size and market potential with a secured tenure status at an available location which is acceptable to the PAP. Transfer of the land to the PAP shall be free of taxes, registration, and other costs. Relocation assistance (costs of shifting + allowance). Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates).
	If partially affected, the remaining assets become insufficient for business purposes	Business person is lease holder	Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates), or the relocation allowance, whichever is higher. Relocation assistance (costs of shifting).
Residential Land	Land used for residence partially affected, limited loss	Title holder	Cash compensation for affected land.
	Remaining land viable for present use.	Rental/lease holder	Cash compensation equivalent to 10% of lease/ rental fee for the remaining period of rental/ lease agreement (written or verbal).

Land and Assets	Types of Impact	PAP	Compensation
		Title holder	<p>Land for land replacement or compensation in cash according to PAP's choice.</p> <p>Land for land replacement shall be of minimum plot of acceptable size under the zoning law/ s or a plot of equivalent size, whichever is larger, in either the community or a nearby resettlement area with adequate physical and social infrastructure systems as well as secured tenure status.</p> <p>When the affected holding is larger than the relocation plot, cash compensation to cover the difference in value.</p> <p>Transfer of the land to the PAP shall be free of taxes, registration, and other costs.</p> <p>Relocation assistance (costs of shifting + allowance).</p>
Residential Land	<p>Land and assets used for residence severely affected</p> <p>Remaining area insufficient for continued use or becomes smaller than minimally accepted under zoning laws</p>	Rental/lease holder	<p>Refund of any lease/ rental fees paid for time/ use after date of removal.</p> <p>Cash compensation equivalent to 3 months of lease/ rental fee.</p> <p>Assistance in rental/ lease of alternative land/ property.</p> <p>Relocation assistance (costs of shifting + allowance)</p>
ASSETS AND IMPROVEMENTS			
Buildings and structures	<p>Structures are partially affected</p> <p>Remaining structures viable for continued use</p>	<p>Owner</p> <p>Rental/lease holder</p>	<p>Cash compensation for affected building and other fixed assets</p> <p>Cash assistance to cover costs of restoration of the remaining structure</p> <p>Cash compensation for affected assets (verifiable improvements to the property by the tenant).</p> <p>Disturbance compensation equivalent to two months rental costs.</p>

Land and Assets	Types of Impact	PAP	Compensation
	Entire structures are affected or partially affected	Owner	Cash compensation for entire structure and other fixed assets without depreciation, or alternative structure of equal or better size and quality in an available location which is acceptable to the PAP.
	Remaining structures not suitable for continued use		<p>Right to salvage materials without deduction from compensation.</p> <p>Relocation assistance (costs of shifting + allowance).</p> <p>Rehabilitation assistance if required (assistance with job placement, skills training).</p>
		Rental/lease holder	<p>Cash compensation for affected assets (verifiable improvements to the property by the tenant).</p> <p>Relocation assistance (costs of shifting + allowance equivalent to four months rental costs).</p> <p>Assistance to help find alternative rental arrangements.</p> <p>Rehabilitation assistance if required (assistance with job placement, skills training).</p>
		Squatter/informal dweller (including on road reserves)	<p>Cash compensation for affected structure without depreciation.</p> <p>Right to salvage materials without deduction from compensation.</p> <p>Relocation assistance (costs of shifting + assistance to find alternative secure accommodation preferably in the community of residence through involvement of the project).</p> <p>Rehabilitation assistance if required assistance with job placement, skills training).</p>
		Street vendor (informal without title or lease to the stall or shop)	<p>Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates), or the relocation allowance, whichever is higher.</p> <p>Relocation assistance (costs of shifting).</p> <p>Assistance to obtain alternative site to re- establish the business.</p>

Land and Assets	Types of Impact	PAP	Compensation
Standing Crops	Crops affected by land acquisition or temporary acquisition or easement	PAP (whether owner, tenant, or squatter)	Cash compensation equivalent to average of last 3 years market value for the mature and harvested crop
Trees	Trees lost	Title holder	Cash compensation based on type, age and productive value of affected trees plus 10% premium
TEMPORARY ACQUISITION			
Temporary Acquisition	Temporary Acquisition	PAP (whether owner, tenant, or squatter)	Cash compensation for any assets affected (e. g. boundary wall demolished, trees removed)
			Cash compensation for the harvest or product from the affected land or asset, equivalent to average market value of last 3 years, or market value of the crop for the period effected and any longer terms effects as a result of limited ability to replant etc.
		Business person is lease holder	Opportunity cost compensation equivalent to 5% of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist).

In addition, Vulnerable Groups will be assisted through capacity building and help during the RAP implementation to adapt to new environments, including assistance with moving, cultivating, livelihood restoration, restoring assets, etc.

As described in *Section 4*, the Tanzanian legislative process for valuation of assets for the purposes of compensation is guided by the Land Act, Village Land Act, Land (Assessment of the Value of Land for Compensation) Regulations, 2001, and the Village Land Regulations, 2001, which provide that the basis for assessment of the value of any land and unexhausted improvement for the purposes of compensation is the market value of such land. This will be augmented for SAGCOT SIL in order to ensure that compensation is to full replacement value

The valuation of assets will be undertaken by a certified Government Valuer, as per the requirements of the legislation, and must be verified by the Chief Valuer in the government. Compensation must be calculated as per the requirements described in *Section 4.4.2* and *Section 4.4.3*. Tanzania laws indicate that the current market values should be used as basis for valuation of land and properties, with full and fair compensation assessed by including all components of land quality.

Presently in assessing the value of the unexhausted improvements for compensation purposes, the law emphasizes that the value should be the price that the improvements can fetch if sold in the open market. In normal circumstances this is lower than the replacement value but higher than the initial construction cost of the said improvements.

The market value of any land and unexhausted improvement is arrived at by the use of the comparative method evidenced by actual recent sales of similar properties, or by the use of the income approach or replacement cost method, where the property is of special nature and is not readily transacted in, in the market.

The *Land (Assessment of the Value of Land for Compensation) Regulations, 2001* and the *Village Land Regulations, 2001*, provide for the amount of compensation to include the value of unexhausted improvements, disturbance allowance, transport allowance, accommodation allowance and loss of profits. According to legislation, transport allowance, accommodation allowance and loss of profit do not apply where the land acquired is unoccupied at the date of loss of interest.

For the purposes of this RPF, this will be based on, and augmented if necessary, to ensure the valuation meets the replacement cost of the asset at market rates.

6.2

TYPES OF COMPENSATION PAYMENTS

Individual and household compensation will be made in kind and/or in cash (as described in *Table 6.1*). Although the type of compensation may be an individual's choice, compensation in kind will be preferred, particularly if the loss amounts to more than 20% of the total assets. Compensation for land should be paid in kind wherever possible.

Compensation will be in the form of cash payments, in-kind compensation and assistance such as a moving allowance, transportation and labour. Affected people will be consulted as to what types of compensation they choose, although this will be accompanied by encouraging people to choose in-kind compensation, particularly if the affected people are not used to dealing with relatively large sums of money.

Compensation will be determined by taking all assets into account. This will include compensation for rural and urban assets, including land, crops, trees, buildings and structures, sacred sites, vegetable gardens and beehives, horticultural, floricultural and fruit trees, and other domestic cash crops and fruit trees. This will be determined according to the unit costs as provided in the national regulations, and until then, on unit costs according to current market prices. A detailed entitlement matrix relating to the types of impacts of land and assets will be provided as an annex to the RPF.

Table 6.1 *Forms of Compensation*

Type of Compensation	Description
Cash Payments	Compensation will be calculated and paid in Tanzanian Shillings. Rates will be adjusted for inflation to ensure that this is to full replacement cost.
In – Kind Compensation	Compensation may include items such as land, houses other buildings, building materials, seedlings, agricultural inputs and financial credits for equipment.
Assistance	Assistance may include moving allowance, transportation and labour and special assistance to vulnerable groups in the form of assistance with moving, restoration of livelihoods, capacity building, etc.

6.2.1

The Payment of Cash Compensation

For cash payments, compensation will be calculated in Tanzanian Shillings and adjusted for inflation and should include the transaction costs. For compensation in kind, items such as land, houses, other buildings, building materials, seedlings, agricultural inputs and financial credits for equipment may be included. Assistance will include moving allowance, transportation and labour.

For payment of compensation in-kind, the time and new location will have to be decided and agreed upon by each recipient, in consultation with the Village Council.

6.2.2 Community Payments

Although most sub-projects do not normally take land and other assets belonging to a community, such as a community center, school, or sacred site, if this occurs in a sub-project, the community (as a whole) will be compensated. This compensation will be in the form of reconstruction of the facility (in case of damages) or replacement at least the same standard or equivalent or better standard required by local planning regulation. Examples of community compensation expansion of grazing grounds; rehabilitation of school buildings, public toilets, health facilities; installation of wells or pumps; creation of market places; and reconstruction of community roads.

6.3 COMPENSATION CALCULATIONS FOR ASSETS AND ALLOWANCES

6.3.1 Introduction

Compensation for all land use and assets must be made, including for:

- land and crops;
- residential buildings, structures and fixtures;
- sacred sites;
- vegetable gardens and beehives;
- horticultural, floricultural and fruit trees;
- other domestic cash crops and fruit trees; and
- loss of businesses or employment

In addition, relocation and assistance allowances will be given to those who are required to move off their land.

The compensation calculation will therefore be equal to:

Value of land + value of unexhausted improvements + allowances +
livelihood restoration costs + additional investments.

6.3.2 Compensation for Land and Crops

Compensation is intended to provide a farmer whose land is acquired and used for project purposes with compensation for land, labour, and crop loss.

6.3.3 Land Valuation

Compensation for land is valued at the current market rate, with estimates of values in each SAGCOT District provided in *Table 7.2*. These values are discussed with the District Land Officer and the Village Councils and adjusted

according to physical characteristics where necessary. This will include determining whether the land is fallow, in cultivation; being prepared for cultivation, or cultivated during the last agricultural season. It will therefore take into account the labour effort spent on the land.

Table 6.2 Estimated Land Values in Different Districts, 2012

District	Estimated Land Value (Ts)		
	Square Metre	Acre	Hectare
Rufiji		3,000,000	7,500,000
Kilombero		1,000,000	2,500,000
Morogoro	250,000		
Ihemi		600,000	1,500,000
Ludewa		400,000	1,000,000
Dakawa		500,000	1,250,000
Mbarari		300,000	750,000
Sumbawanga		300,000	750,000

6.3.4 Residential Buildings and Associated Facilities

Compensation rates for residential buildings and associated facilities would be market rates as of the date and time that the replacement is to be provided. This would not take depreciation into account, as the amount provided would need to be the full replacement cost of the buildings and facilities.

6.3.5 Economic Huts

Economic huts are structures used as a store or shelter located in close and convenient access to the livelihood activities. These will be compensated at a current market value minus depreciation.

6.3.6 Crops and Vegetable Gardens

The price for cash crops will be determined as the average market price over the previous year, corrected for inflation, and including labour effort. The price for subsistence crops will be determined as the highest value over the previous year, corrected for inflation, including labour effort. This compensation will also cover purchased inputs for the production year in question.

All valuations of crops will take into account the most recent compensation rates available from the Government. Should the calculations according to the Ministry not equate to full replacement cost, they must be adjusted to ensure that the full replacement value is calculated.

The crop compensation rates as provided by MLHHSD are attached in *Annex 6*. These values were set in 2010. These will be adjusted to account for current market prices.

The Valuations Department of MLHHS is currently updating the compensation rates and procedures to account for operating costs, time to harvest, production period, frequency of harvest, value and income. These are anticipated to be ready for use by the end of 2012.

6.3.7 Economic/Fruit Trees

The price for trees includes the cost of labour invested and the average highest price of the trees and tree products at Tanzanian market prices.

6.3.8 Loss of Access to Pastoralists

Those affected would be provided with shared access, or alternative routes. The decision is to be agreed through consultation and participation of PAPs and all interested and affected parties, including authorities.

6.3.9 Loss of Access to Fishing Resources

Compensation for the loss of access to fishing resources requires a detailed socio-economic study to determine the quantity and market value of fish catches and products.

6.3.10 Allowances

As described in Section 4.4.3, the Land (Assessment of the Value of Land for Compensation) Regulations, 2001 and the Village Land Regulations, 2001, provide for the amount of compensation to include the value of unexhausted improvements, disturbance allowance, transport allowance, accommodation allowance and loss of profits.

- **Disturbance allowance** is calculated by multiplying the value of the land by an average percentage rate of interest offered by commercial banks on fixed deposits for twelve months at the time of loss of interest in land.
- **Transport allowance** is the actual cost of transporting twelve tons of luggages by road or rail whichever is cheaper within twenty kilometers from the point of displacement.
- **Accommodation allowance** is calculated by multiplying the monthly market rent for the acquired property by thirty-six months.
- **Loss of profit** in the case of business carried out on the acquired property will be assessed by calculating the net monthly profit evidenced by audited accounts where necessary and applicable, and multiplied by thirty six-months.

It must be noted that these allowances apply even when there is temporary acquisition of land, and must be calculated in accordance with the amount of time that there has been loss of access and associated limited or loss of use of land.

Transport allowance, accommodation allowance and loss of profit do not apply where the land acquired is unoccupied at the date of loss of interest.

PUBLIC CONSULTATION AND DISCLOSURE

Public consultations in relation to each RAP must occur at all stages, starting with inception and planning when the potential lands and alternative sites are being considered. A participatory approach is adopted as an on-going strategy throughout the entire project cycle.

Public participation and consultations take place through individual, group, or community meetings. Additionally, radio programs and other media forms may be used to further disseminate information. PAPs are consulted in the survey process; public notices where explanations of the sub-project are made; RAP implementation of activities; and during the monitoring and evaluation process. Selection of ways to consult, and expand participation by PAPs and other stakeholders, will take into consideration literacy levels prevalent in affected communities; ethnicity and cultural aspects; and practical conditions (like distance).

The role of traditional political and cultural leaders, including the community elders, in the participation strategy will be important. The RAP team should ensure that these leaders and local representatives of PAPs are fully involved in designing the public consultation procedures. There are three main phases.

- **Data collecting phase**. Consultations during preparation, in particular, the collection of background information, and the social survey or social assessment, are critical for successful data collection. The levels of consultation will vary from households to community groups, based on the particular context of the sub-project(s). The RAP team will design the questionnaires but it will be the households, organizations, and institutions that will validate their effectiveness through feedback. Focus group meetings with women, farmers' associations, individuals who own farms, fishing boats, etc, as well as primary and/or secondary schools, health centres, and agricultural cooperative unions are usually good sources for establishing the community baseline situation.
- **Implementation phase**. During implementation, PAPs will be informed about their rights and options. The grievance mechanism will continue to operate and all grievances will be recorded. The participation of local leaders and PAPs in disseminating information and resolving disputes will be important once RAP implementation starts. A dynamic participatory approach involves PAPs in decision making about livelihood and community development programs.
- **Monitoring and evaluation phase**. PAPs representatives will participate in the sub-project workshops at mid-term and at the end of RAP implementation. To the extent possible, the RAP should include social accountability tools like citizen report cards to assess the quality of RAP implementation, and in some cases, assist the RAP team in tracking expenditures. The latter would be significant in helping PAPs with money management and restoring their livelihoods. PAPs will be able to suggest corrective measures, as needed, to improve RAP implementation in the sub-project(s). Prior to closing the RAP, PAPs will participate in a feedback survey as part of the RAP's independent impact evaluation exercise.

8 GRIEVANCE MECHANISM AND REDRESS

8.1 SCOPE OF THE GRIEVANCE MECHANISM

A grievance mechanism must be made available to parties who have grievances or are not satisfied with any part of the resettlement and compensation process. These grievances could relate to the valuation of assets, amount of compensation paid, level of consultation, non-fulfilment of contracts, and timing of compensation, amongst others.

8.2 GRIEVANCE COMMITTEE

In order to address grievances, a Grievance Committee will be formed for dealing with any grievances as they arise. This will include a representative of the investor's RAP team, a representative of the District lands Department, a representative of the Village Council, as well as a representative of the PAPs. It should also include an independent valuer if the grievance is in relation to compensation amounts.

The grievance procedure will be simple and will be administered as far as possible by the Grievance Committee at the District and Village level.

8.3 GRIEVANCE MECHANISM PROCEDURES

At the beginning of the individual RAP processes, PAPs will be informed about how to register grievances or complaints, including specific concerns about compensation and relocation. The PAPs should also be informed about the dispute resolution process, specifically about how the disputes will be resolved in an impartial and timely manner.

All attempts shall be made to settle grievances amicably. The grievance redress mechanism is designed with the objective of solving disputes at the earliest possible time, which will be in the interest of all parties concerned and therefore, it implicitly discourages referring such matters to the National level government authorities or National level courts for resolution.

Compensation and resettlement plans (contracts) will be binding under statute. The Grievance Committee shall maintain records where grievances and complaints, including minutes of discussions, recommendations and resolutions made, will be recorded.

The procedure for handling grievances should be as follows.

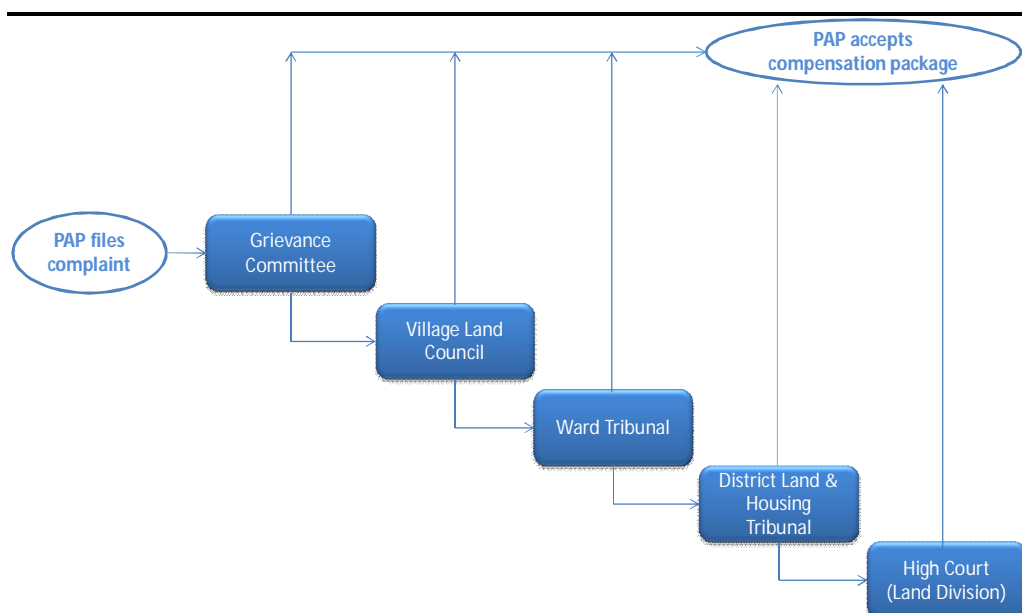
- 1) The affected person should file his grievance in writing, to the Village Leader. The grievance note should be signed and dated by the aggrieved person. Where the affected person is unable to write, he

should obtain assistance to write the note and emboss the letter with his/her thumbprint. A sample grievance form is provided in *Annex 3*.

- 2) The Village Leader should notify the Grievance Committee and respond within 14 days during which any meetings and discussions to be held with the aggrieved person should be conducted. If the grievance relates to valuation of assets, an independent valuer should be requested to revalue the assets, and this may necessitate a longer period of time. In this case, the aggrieved person must be notified by the Village Leader that his/her complaint is being considered.
- 3) If the aggrieved person does not receive a response or is not satisfied with the outcome within the agreed time, s/he may lodge his/her grievance to the District Administration.
- 4) The Grievance Committee will then attempt to resolve the problem (through dialogue and negotiation) within 14 days of the complaint being lodged. If no agreement is reached at this stage, then the complaint can be taken through the formal court process, ie to the Village Land Council, the Ward Tribunal where relevant, District Tribunal and the High Court (Land Division) at the National level .

The Grievance Committee will produce a Report containing a summary of all grievances and will make this available to SAGCOT on a quarterly basis. The Grievance Redress flow mechanism is illustrated in *Figure 8.1*.

Figure 8.1 *The SAGCOT RPF Grievance Redress Mechanism**



**Adapted from the Road Sector Compensation and Resettlement Guidelines, Ministry of Infrastructure Development*

COSTS OF RESETTLEMENT¹

As described in *Section 3.3*, due to the nature of SAGCOT and the anticipated scale of potential subprojects under the SAGCOT SIL, each individual subproject is not expected to lead to major resettlement activity.

The number or likelihood of people affected or requiring resettlement as a result of the SAGCOT SIL investments will be determined as a result of the specific sub-projects and localities, and based on land availability and population pressures in that particular district. It is therefore impossible to determine the exact budget for the RPF, but for each RAP associated with a SAGCOT SIL investment, once a budget is finalized, it will be subject to approval by the SAGCOT Centre and the World Bank.

In estimating the budget, the following cost factors will need to be taken into account.

- Not only compensation costs as per the Government valuation methodology for land, structures, crops, economic trees and infrastructure, but also the top-up amount required to ensure that PAPs receive the full replacement cost of their affected assets.
- Compensation for annual crops can be avoided by allowing PAPs to harvest prior to relocation, as long as there is no gap in the transition between this and the planting for the following season on replacement land. Should there be a gap, PAPs will need to be compensated for the loss of harvest for that crop for the following year.
- Relevant allowances as per Tanzanian legislative requirements (disturbance allowance, transport allowance, accommodation allowance and loss of profits).
- Other assistance required in order to restore or improve livelihoods and restore social structures where relevant.

It must be noted that though the value of land is a considerable expense, and variable according to location (as shown in *Box 9.1*) the additional costs of compensation and resettlement activities can increase this budget significantly.

Examples of recent resettlement activity in the SAGCOT area are set out in the boxes below. Exact figures were not available for the Bagamoyo example as

¹ Please note that the costs of resettlement in the examples provided are indicative, due to anomalies in information provided.

the process had not been finalised, but the breakdown gives an indication of what the Government took responsibility for, and what the investor took responsibility for. These examples would be most applicable to broader SAGCOT investments outside of the SAGCOT SIL, but give an indication of the types of costs and aspects that need to be considered by investors. They also illustrate that different agreements can be reached with Government in undertaking resettlement, depending on the land tenure characteristics.

Box 9.1 Resettlement Example, Ulanga District, Kilombero Valley, 2008

An investor acquired 100 ha of land for expansion of their operations, and also paid compensation on land where a new road was constructed and an existing road was partially upgraded. Initially, 57 villagers were affected but this increased as further claims were made. The resettlement process was carried out by the Government of Tanzania, with support from the investor.

In total, the investor paid US\$78,491 for all issues surrounding land acquisition, or the equivalent of around US\$785 per hectare for land that was only partially inhabited (around one third was inhabited).

The costs were comprised of the following:

	ha	US\$	US\$/ha
• Survey	100	12,280	123
• Compensation Costs	100	44,469	445
<i>Land</i>	100	6,357	64
<i>Crops, structures etc</i>	100	38,112	381
• Valuer	100	9,836	98
• Taxes etc	100	9,160	92
• Consultants	100	2,716	27
		78,461	785

This resettlement was undertaken to the standards and requirements of the Government of Tanzania and national legislative requirements as set out in *Section 3* of this report.

An investor in Bagamoyo District acquired 22,595 ha of land from the Government of Tanzania. This resulted in both physical displacement and economic resettlement, affecting 212 households and 429 PAPs. The investor committed to undertaking this resettlement according to international standards.

The resettlement is being carried out by the investor, in association with the Government of Tanzania. The Government of Tanzania will be paying for the compensation costs associated with the legislative requirements, while the investor will be paying for the 'top-up' requirements of international standards above and beyond the legislative requirements.

The compensation paid according to Government legislation covered:

- Loss of land;
- Houses and structures;
- Trees;
- Travel allowance;
- Disturbance allowance ;
- Accommodation allowance; and
- Resettlement site infrastructure and access to water.

Where the Government amounts resulted in less than full replacement cost, the investor topped this up to ensure full replacement. This will be paid in kind where possible.

In addition to these aspects of compensation, the Project also committed to the following:

- Compensation for loss of access to resources;
- Vulnerable interventions;
- Contribution to a development trust for PAPs.

9.2

BUDGET OUTLINE FOR SUB-PROJECT RAPs

A budget will need to be drawn up for each SAGCOT SIL RAP, as described in *Section 5.3*. An indicative outline of a RAP budget is set out in *Table 9.1*, which, once finalised, will be subject to approval by the SAGCOT Centre and the World Bank.

Table 9.1 Indicative Outline of a RAP Budget

Asset acquisition	Amount or number	Total estimated cost	Agency responsible
Land			
Structure			
Crops and economic tress			
Community infrastructure			
Land Acquisition and Preparation			
Land Structures			
Crops areas and others			
Community infrastructure			
Relocations			
Transfer of possessions			
Installation costs			
Economic Rehabilitation			
Training			
Capital Investments			
Technical Assistance			
Monitoring			
Contingency			

Item	Costs	Assumptions
1 Compensation for loss of Land	/ha	For land acquisition purposes, based on Tanzanian average market cost, or from similar projects
2 Compensation for loss of Crops	/ha of farm lost	Includes costs of labour invested and average of highest price of staple food crops and Tanzanian market prices
3 Compensation for loss of access to pastoralists	If applicable	Those affected would be provided with shared access, or alternate routes (decision agreed through consultation and participation of all)
4 Compensation for loss of access to fishing resources.	If applicable	Data provided from the revised socio-economic study will determine market values of catch, fish products etc.
5 Compensation for Buildings and Structures	If applicable	This compensation may be in-kind or cash. Costs for basic housing needs should include ventilated pit latrines, outside kitchen, and storage.
7 Compensation for Temporary Loss of Access to Land	If applicable	This compensation should cover the loss due to loss of access for the time of temporary loss of access. This should take into account further implications of eg a missed planting or harvest season
6 Compensation for Trees	/year/tree	Includes costs of labor invested and average of highest price of trees (and tree products) and Tanzanian market prices
8 Cost of Restoration of Individual Income		Assumed to be higher than the GDP/capita in Tanzania
9 Cost of Restoration of Household Income		These costs reflect the livelihood restoration program of the RAP
10 Cost of Training Farmers, pastoralists and other PAPs		This is a mitigation measure involving capacity building and involves PAPs and affected communities

9.3 MONITORING AND EVALUATION

9.4 INTRODUCTION

The investor's RAP team will be expected to develop and implement a Monitoring and Evaluation Plan (MEP). The objectives of this MEP will be to determine the implementation and effectiveness of the RAP, and the restoration of livelihoods of the PAPs. This will allow the investor, SAGCOT and the World Bank to determine whether legislative requirements and the requirements of this RPF are being met.

The main indicators that the MEP will measure include:

- i) impacts on affected individuals, households, and communities to be maintained at their pre-project standard of living, and better;
- ii) improvement of communities affected by the project; and
- iii) management of disputes or conflicts.

9.5 ORGANISATIONAL RESPONSIBILITIES AND REPORTING

The RAP representative in the SAGCOT Centre will be responsible for monitoring and evaluating resettlement implementation and impacts for all SAGCOT SIL investments as a group. For each SAGCOT SIL sub-project, monitoring will take place through internal monitoring by the SAGCOT SIL investor, and external monitoring by third party consultants. The extent and scope of this monitoring will depend on the extent and scope of resettlement that has taken place.

The SAGCOT Centre will establish a reporting system around RAPs for the sub-projects that will:

- i) Provide timely information to SAGCOT about all resettlement and compensation issues arising as a result of RAP related activities;
- ii) Identify any grievances, especially those that have not yet been resolved at the local level and which may require resolution at the higher levels;
- iii) Document completion of project resettlement and compensation that are still pending, including for all permanent and temporary losses;
- iv) Evaluate whether all PAPs have been compensated in accordance with the requirements of this RPF and that PAPs have better living conditions and livelihoods; and
- v) Identify mitigation measures, as necessity, when there are significant changes in the indicators that may require strategic interventions (e.g. vulnerable groups are not receiving sufficient support from the sub-project).

In order to measure these aspects, the RAP will identify the specific indicators to be monitored, define how they will be measured on a regular basis, and identify key monitoring milestones (e.g. at mid-point of the RAP implementation process). The types of indicators selected will depend on the extent and scope of resettlement, the type of impacts (e.g. physical displacement versus economic compensation) and the complexity of the RAP itself.

The indicators to be measured will be both activity and outcome indicators. The activity indicators will determine whether the actions as committed to in the RPF and individual RAPs are being/have been implemented. The outcomes indicators will determine whether the RAP activities have been effective.

9.6.1**Activity Indicators**

Together with local officials, the RAP team for each sub-project will maintain basic information on all physical or economic displacement arising from each SAGCOT-SIL sub-project. This includes an update, for example on a quarterly basis, of the following:

- i) Number of sub-projects requiring preparation of a RAP;
- ii) Number of households and individuals physically or economically displaced by each sub-project;
- iii) Length of time from sub-project identification to payment of compensation to PAPs;
- iv) Timing of compensation in relation to commencement of physical works;
- v) Amount of compensation paid to each PAP household (if in cash), or the nature of compensation (if in kind);
- vi) Number of people raising grievances in relation to each sub-project; and
- vii) Number of unresolved grievances.

9.6.2**Outcome Indicators**

Several measures can be used to measure outcomes. These include, among others:

- a comparison of income levels before-and-after;
- access to livelihoods and employment;
- changes in standards of housing and living conditions; and
- improvements in level of participation in sub-project activities.

There are indicators to verify these basic measures, such as number of children in-school (compared to pre-RAP levels); changes in health standards; and

changes in access to markets or roads – all of which may reflect overall improvements in standards of living.

The way in which data for these indicators will be gathered in order to measure outcomes /impacts will include:

- i) Questionnaires with data stored in a database for comparative analysis (before-after and with-without);
- ii) Documentation and recording of PAPs situation, including subsequent uses of assets/improvements;
- iii) Relocation/resettlement and Compensation Reports, including status of land impacts; percentage of individuals selecting cash or a combination of cash and in-kind compensation; proposed use of payments;
- iv) Number of grievances and time and quality of resolution; and
- v) Ability of individuals and families to re-establish their pre-resettlement activities, in terms of improvements in land and crop production, and/or presence of other alternative incomes.

The SAGOT Centre will review these statistics to determine whether the RAP implementation arrangements, as defined in this RPF, are effective in addressing RAP related issues. Financial records will be maintained by the sub-projects and the SAGCOT Centre, to determine the final cost of RAP implementation. The following indicators (*Table 10.1*) can be used to monitor implementation of the RAP.

Table 9.2 *Monitoring and Evaluation of Impacts/Outcomes*

	Monitoring (issues/activities)	Evaluation (impacts/ outcomes)
Indicator	No. of Compensations and Valuations completed	Changes (+/-) in PAPs conditions during transition process
	No. of sub-projects unable to settle compensation after 2 years	Changes (+/-) in PAPs income and livelihood conditions
	No. of grievances filed	Quality of grievances or disputes resolved (qualitative)
	No. of livelihood restoration programmes completed	Changes (+/-) in affected households income levels
	Pre-project production vs present production levels (crops for crops, land for land)	Equal or improved production per affected household/ homestead

9.6.3 *Monitoring Measures*

Annual audit: An annual audit of RPF implementation, and as applicable RAP implementation in SAGCOT SIL sub-project(s), will include:

- i) a summary of RAP performance of each sub-project;
- ii) a compliance review of RAP implementation process; and
- iii) a progress report on the quality of RAP implementation in terms of application of guidelines provided in this RPF.

The audit will verify results of monitoring of RAP implementation indicators, and assess whether the project achieved the resettlement objectives. A specific measure of whether livelihood and living standards have been restored or enhanced will be completed. The audit will also assess the efficiency, effectiveness, impact, and sustainability of RAP sub-project activities. The aim is to learn lessons for application to future sub-projects or other projects in the sector and in the country. Finally, the audit will ascertain whether the resettlement entitlements were appropriate, as defined in the RPF guidelines.

Socio-Economic assessment: The purpose of socio-economic assessment, which is part of the evaluation process, is to ensure that PAPs' livelihood and well-being have improved, and have not worsened as a result of the RAP associated with the sub-project. An assessment will be undertaken on payment of compensation, restoration of income and livelihoods, and provision of sufficient community development activities. Monitoring of living standards will continue after resettlement. Additionally a reasonable period (usually two years) must be established for monitoring post-resettlement impacts. A number of indicators will be used for measuring status of affected people.

Most socio-economic assessments use surveys, focus group meetings, and participatory appraisal tools for measuring impacts. A separate assessment must be made for each sub-project. Additionally, since a baseline household survey was completed during RAP preparation, the end-RAP assessment can measure changes from this baseline.

The independent evaluation will determine:

- i) if compensation payments have been completed in a satisfactory manner; and
- ii) if there are improvements in livelihoods and well-being of PAPs.

10 ANNEXES

Annex 1: World Bank Resettlement Policy Framework (Excerpt from World Bank Operational Policy 4.12, Involuntary Resettlement)

Annex 2: Annotated Outline for Preparing a Resettlement Action Plan (RAP)

Annex 3: Sample Grievance and Resolution Form

Annex 4: Sample Table of Contents for Consultation Reports

Annex 5: Glossary of Terms

ANNEX 1: WORLD BANK RESETTLEMENT POLICY FRAMEWORK (RPF)

[Excerpt from the World Bank OP4.12 Involuntary Resettlement, Revised April 2004]

These policies were prepared for use by World Bank staff and are not necessarily a complete treatment of the subject. OP 4.12 (Revised April 2004) applies only to projects that are governed by [OP / BP 6.00](#), Bank Financing - that is, those in countries with [approved country financing parameters](#). Other operational policy statements governing Bank financing that have been amended to reflect OP/BP 6.00 also apply to these projects.

Projects in countries without approved country financing parameters continue to be subject to other operational policy statements governing Bank financing.

Resettlement Policy Framework

For sector investment operations that may involve involuntary resettlement, the Bank requires that the project implementing agency screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the borrower submits, prior to appraisal, a resettlement policy framework that conforms to this policy (see [Annex A](#), paragraphs 23-25). The framework also estimates, to the extent feasible, the total population to be displaced, and the overall resettlement costs.

For financial intermediary operations that may involve involuntary resettlement, the Bank requires that the financial intermediary (FI) screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the Bank requires that before appraisal the borrower or the FI submit to the Bank a resettlement policy framework conforming to this policy (see [Annex A](#), paragraphs 23-25). In addition, the framework includes an assessment of the institutional capacity and procedures of each of the FIs that will be responsible for subproject financing. When, in the assessment of the Bank, no resettlement is envisaged in the subprojects to be financed by the FI, a resettlement policy framework is not required. Instead, the legal agreements specify the obligation of the FIs to obtain from the potential sub-borrowers a resettlement plan consistent with this policy if a subproject gives rise to resettlement. For all subprojects involving resettlement, the resettlement plan is provided to the Bank for approval before the subproject is accepted for Bank financing.

For other Bank-assisted project with multiple subprojects²⁶ that may involve involuntary resettlement, the Bank requires that a draft resettlement plan conforming to this policy be submitted to the Bank before appraisal of the project unless, because of the nature and design of the project or of a specific subproject or subprojects (a) the zone of impact of subprojects cannot be determined, or (b) the zone of impact is known but precise sitting alignments cannot be determined. In such cases, the borrower submits a resettlement policy framework consistent with this policy prior to appraisal (see [Annex A](#),

paragraphs 23-25). For other subprojects that do not fall within the above criteria, a resettlement plan conforming to this policy is required prior to appraisal.

For each subproject included in a project described in paragraphs 26, 27, or 28 that may involve resettlement, the Bank requires that a satisfactory resettlement plan or an abbreviated resettlement plan that is consistent with the provisions of the policy framework be submitted to the Bank for approval before the subproject is accepted for Bank financing.

For projects described in paragraphs 26-28 above, the Bank may agree, in writing, that sub-project resettlement plans may be approved by the project implementing agency or a responsible government agency or financial intermediary without prior Bank review, if that agency has demonstrated adequate institutional capacity to review resettlement plans and ensure their consistency with this policy. Any such delegation, and appropriate remedies for the entity's approval of resettlement plans found not to comply with Bank policy, is provided for in the legal agreements for the project. In all such cases, implementation of the resettlement plans is subject to ex post review by the Bank.

ANNEX 2: ANNOTATED OUTLINE FOR PREPARING A RESETTLEMENT ACTION PLAN (RAP)

This template is extracted from OP 4.12 Annex A. Its full description can be found in the World Bank external website [<http://web.worldbank.org/WBSITE/EXTERNAL/PROJECTS/EXTPOLICIES/EXTOPMANUAL/0,contentMDK:20066696~menuPK:4564185~pagePK:64709096~piPK:64709108~theSitePK:502184,00.html>].

The scope and level of detail of the RAP will vary depending on the magnitude and complexity of resettlement or displacement. The RAP is prepared based on the most recent and accurate information on the: (i) proposed resettlement and its impacts on displaced persons and other adversely affected groups; and (ii) legal issues affecting resettlement. The RAP covers elements that are specific to the project context.

A broad outline of the RAP, as applied to sub-projects covered under a RPF includes, but is not limited to, the following:

Description of the sub-project: General description of the sub-project and identification of sub-project area or areas.

Potential Impacts: Identification of the: (i) the sub-project components or activities that require resettlement or restriction of access; (ii) zone of impact of components or activities; (iii) alternatives considered to avoid or minimize resettlement or restricted access; and (iv) mechanisms established to minimize resettlement, displacement, and restricted access, to the extent possible, during project implementation.

Objectives: The main objectives of the resettlement program as these apply to the sub-projects.

Socio-economic studies: The findings of socio-economic studies to be conducted in the early stages of project preparation, and with the involvement of potentially affected people will be needed. These generally include the results of a census of the affected populations covering:

- (i) Current occupants of the affected area as a basis for design of the RAP and to clearly set a cut-off date, the purpose of which is to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
- (ii) Standard characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline 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;

- (iii) Magnitude of the expected loss, total or partial, of assets, and the extent of displacement, physical or economic;
- (iv) Information on vulnerable groups or persons, for whom special provisions may have to be made; and
- (v) Provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement, and to measure impacts (or changes) in their livelihood and living conditions.

There may be other studies that the RAP can draw upon, such as those describing the following:

- (i) Land tenure, property, and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the sub project area;
- (ii) Patterns of social interaction in the affected communities, including social support systems, and how they will be affected by the sub-project;
- (iii) Public infrastructure and social services that will be affected; and
- (iv) Social and cultural characteristics of displaced communities, and their host communities, including a description of formal and informal institutions. These may cover, for example, community organizations; cultural, social or ritual groups; and non-governmental organizations (NGOs) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

Legal Framework: The analysis of the legal and institutional framework should cover the following:

- (i) Scope of existing land and property laws governing resources, including state-owned lands under eminent domain and the nature of compensation associated with valuation methodologies; land market; mode and timing of payments, etc;
- (ii) Applicable legal and administrative procedures, including a description of the grievance procedures and remedies available to PAPs in the judicial process and the execution of these procedures, including any available alternative dispute resolution mechanisms that may be relevant to implementation of the RAP for the sub-project;

- (iii) Relevant laws (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights, customary personal law; communal laws, etc related to displacement and resettlement, and environmental laws and social welfare legislation;
- (iv) Laws and regulations relating to the agencies responsible for implementing resettlement activities in the sub-projects;
- (v) Gaps, if any, between local laws covering resettlement and the Bank's resettlement policy, and the mechanisms for addressing such gaps; and
- (vi) Legal steps necessary to ensure the effective implementation of RAP activities in the sub-projects, including, as appropriate, a process for recognizing claims to legal rights to land, including claims that derive from customary and traditional usage, etc and which are specific to the sub-projects.

The institutional framework governing RAP implementation generally covers:

- (i) Agencies and offices responsible for resettlement activities and civil society groups like NGOs that may have a role in RAP implementation;
- (ii) Institutional capacities of these agencies, offices, and civil society groups in carrying out RAP implementation, monitoring, and evaluation; and
- (iii) Activities for enhancing the institutional capacities of agencies, offices, and civil society groups, especially in the consultation and monitoring processes.

Eligibility: Definition of displaced persons or PAPS and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

Valuation of and compensation for losses: The methodology to be used for valuing losses, or damages, for the purpose of determining their replacement costs; and a description of the proposed types and levels of compensation consistent with national and local laws and measures, as necessary, to ensure that these are based on acceptable values (e.g. market rates).

Resettlement Measures: A description of the compensation and other resettlement measures that will assist each category of eligible PAPS to achieve the objectives of OP 4.12. Aside from compensation, these measures should include programs for livelihood restoration, grievance mechanisms, consultations, and disclosure of information.

Site selection, site preparation, and relocation: Alternative relocation sites should be described and cover the following:

- (i) Institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, location advantages, and other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;
- (ii) Any measures necessary to prevent land speculation or influx of eligible persons at the selected sites;
- (iii) Procedures for physical relocation under the project, including timetables for site preparation and transfer; and
- (iv) Legal arrangements for recognizing (or regularizing) tenure and transferring titles to those being resettled.

Housing, infrastructure, and social services: Plans to provide (or to finance provision of) housing, infrastructure (e.g. water supply, feeder roads), and social services to host populations; and any other necessary site development, engineering, and architectural designs for these facilities should be described.

Environmental protection and management. A description of the boundaries of the relocation area is needed. This description includes an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).

Community Participation: Consistent with the World Bank's policy on consultation and disclosure, a strategy for consultation with, and participation of, PAPs and host communities, should include:

- (i) Description of the strategy for consultation with and participation of PAPs and hosts in the design and implementation of resettlement activities;
- (ii) Summary of the consultations and how PAPs' views were taken into account in preparing the resettlement plan; and
- (iii) Review of resettlement alternatives presented and the choices made by PAPs regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individual families or as parts of pre-existing communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries); and

- (iv) Arrangements on how PAPs can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that vulnerable groups (including indigenous peoples, ethnic minorities, landless, children and youth, and women) are adequately represented.

The consultations should cover measures to mitigate the impact of resettlement on any host communities, including:

- (i) Consultations with host communities and local governments;
- (ii) Arrangements for prompt tendering of any payment due the hosts for land or other assets provided to PAPs;
- (iii) Conflict resolution involving PAPs and host communities; and
- (iv) Additional services (e.g. education, water, health, and production services) in host communities to make them at least comparable to services available to PAPs.

Grievance procedures: The RAP should provide mechanisms for ensuring that an affordable and accessible procedure is in place for third-party settlement of disputes arising from resettlement. These mechanisms should take into account the availability of judicial and legal services, as well as community and traditional dispute settlement mechanisms.

RAP implementation responsibilities: The RAP should be clear about the implementation responsibilities of various agencies, offices, and local representatives. These responsibilities should cover (i) delivery of RAP compensation and rehabilitation measures and provision of services; (ii) appropriate coordination between agencies and jurisdictions involved in RAP implementation; and (iii) measures (including technical assistance) needed to strengthen the implementing agencies' capacities of responsibility for managing facilities and services provided under the project and for transferring to PAPs some responsibilities related to RAP components (e.g. community-based livelihood restoration; participatory monitoring; etc).

Implementation Schedule: An implementation schedule covering all RAP activities from preparation, implementation, and monitoring and evaluation should be included. These should identify the target dates for delivery of benefits to the resettled population and the hosts, as well as clearly defining a closing date. The schedule should indicate how the RAP activities are linked to the implementation of the overall project.

Costs and budget: The RAP for the specific sub-projects should provide detailed (itemized) cost estimates for all RAP activities, including allowances for inflation, population growth, and other contingencies; timetable for expenditures; sources of funds; and arrangements for timely flow of funds.

These should include other fiduciary arrangements consistent with the rest of the project governing financial management and procurement.

Monitoring and evaluation: Arrangements for monitoring of RAP activities by the implementing agency, and the independent monitoring of these activities, should be included in the RAP section on monitoring and evaluation. The final evaluation should be done by an independent monitor or agency to measure RAP outcomes and impacts on PAPs' livelihood and living conditions. The World Bank has examples of performance monitoring indicators to measure inputs, outputs, and outcomes for RAP activities; involvement of PAPS in the monitoring process; evaluation of the impact of RAP activities over a reasonable period after resettlement and compensation, and using the results of RAP impact monitoring to guide subsequent implementation.

ANNEX 3: SAMPLE TABLE GRIEVANCE AND RESOLUTION FORM

Name (Filer of Complaint): _____

ID Number: _____ (PAPs ID number)

Contact Information : _____ (Village ; mobile phone)

Nature of Grievance or Complaint:

<u>Date</u>	<u>Individuals Contacted</u>	<u>Summary of Discussion</u>
-------------	------------------------------	------------------------------

Signature _____ Date: _____

Signed (Filer of Complaint): _____

Name of Person Filing Complaint : _____ (if different from Filer)

Position or Relationship to Filer: _____

Review/Resolution

Date of Conciliation Session: _____

Was Filer Present? : Yes No

Was field verification of complaint conducted? Yes No

Findings of field investigation:

Summary of Conciliation Session Discussion:

Issues _____ -

Was agreement reached on the issues? Yes No

If agreement was reached, detail the agreement below:

If agreement was not reached, specify the points of disagreement below:

Signed (Conciliator): _____

Signed (Filer): _____

Signed: _____

Independent Observer

Date: _____

ANNEX 4: SAMPLE TABLE OF CONTENTS FOR CONSULTATION

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- 1.2 Applicable Laws, Regulations, and Policies to Public Engagement
- 1.3 Project Lenders

2.0 Stakeholder Analysis

- 2.1 Areas of Influence/Stakeholders
- 2.2 Description of Stakeholders

3.0 Stakeholder Engagement

- 3.1 Previous Consultation Activities
- 3.2 Implemented Community Engagement Activities
- 3.3 Project Sponsor's Community Engagement Plan
 - 3.3.1 Phase 1 – Initial Stakeholder Consultation
 - 3.3.2 Phase 2 – Release of the SEA Terms of Reference and Draft PCDP
 - 3.3.3 Phase 3 – Release of SEA Consultation Summary Report

4.0 Summary of Key Issues

5.0 Future Consultation Events

- 5.1 Phase 4 – Release of the SEA Report and Action Plans
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- 5.3 Phase 6 - Ongoing Project Communication

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- Table 3.1: Initial Government Agency Consultations
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- Table 3.4: Summary of Community Discussions
- Table 3.5: Local Community Comments
- Table 4.1: Summary of Key Issues and Responses
- Table 5.1: Summary of Future Consultation Activities per Stakeholder Group

TEMPLATE Table on Consultation Activity Summary

Location and Communities Represented	Meeting Dates	Attendees	Discussion Summary
Example:			

ANNEX 5: GLOSSARY OF TERMS

Census	A field survey carried out to identify and determine the number of Project Affected Persons (PAPs) or Displaced Persons (DPs) as a result of land acquisition and related impacts. The census provides the basic information necessary for determining eligibility for compensation, resettlement, and other measures emanating from consultations with affected communities and the local government institutions.
Compensation	The payment in kind, cash or other assets given in exchange for the acquisition of land including fixed assets, is called compensation. These include other impacts resulting from activities to rehabilitate or cushion the impacts from displacement.
Cut-off Date	The cut-off date is the date of commencement of the census of PAPs or DPs within the EASP program area boundaries. This is the date on and beyond which any person whose land is occupied for EASP program, will not be eligible for compensation.
Grievance Mechanism	The RPF contains a grievance mechanism based on policies and procedures that are designed to ensure that the complaints or disputes about any aspect of the land acquisition, compensation, resettlement, and rehabilitation process, etc. are being addressed. This mechanism includes a procedure for filing of complaints and a process for dispute resolution within an acceptable time period.
Implementation Schedule	The RPF contains an implementation schedule that outlines the time frame for planning, implementation, and monitoring and evaluation of the RAPs for sub-projects, if applicable.
Land	Land refers to all types of agricultural and/or non-agricultural land and any structures thereon whether temporary or permanent and which may be acquired by the project.
Land Acquisition	Land acquisition means the possession of or alienation of land, buildings, or other assets thereon for purposes of the project.
Project Affected Persons (PAPs) or Displaced Persons (DPs)	Project affected persons (PAPs) or Displaced Persons (DPs) are persons affected by land and other assets loss as a result of EASP activities. These person(s) are affected because they may lose, be denied, or be restricted access to economic assets; lose shelter, income sources, or means of livelihood. These persons are affected whether or not they will move to another location. Most often, the term DPs applies to those who are physically relocated. These people may have their: standard of living adversely affected, whether or not the Displaced Person will move to another location ; lose right, title, interest in any houses, land (including premises, agricultural and grazing land) or any other fixed or movable assets acquired or possessed, lose access to productive assets or any means of livelihood.
Project Impacts	Impacts on the people living and working in the affected areas of the project, including the surrounding and host communities are assessed as part of the overall evaluation of the project.
Project Implementing Unit (PIU)	Some projects make use of project implementing units (PIUs), which are generally separate units within the project recipient's agency. The PIU is often composed of full time staff devoted to implementing the project, and have been encouraged to have separate teams with environment and social specialists who can carry out the activities, for example, as outlined in the RPF or RAP.

Rehabilitation Assistance	Rehabilitation assistance is the provision of development assistance in addition to compensation such as livelihood support, credit facilities, training, or job opportunities, needed to assist PAPs or DPs restore their livelihoods.
Replacement Cost	Replacement cost refers to the amount sufficient to cover full recovery of lost assets and related transaction costs. The cost should be based on Market rate (commercial rate) according to Tanzanian laws for sale of land or property. It is normally calculated based on a willing buyer-willing seller basis, but also applies in Tanzania to acceptable market valuation or from an assessment from the Land Commission and government valuer.
Resettlement Action Plan (RAP)	The RAP is a resettlement instrument (document) to be prepared when sub-project locations are identified. In such cases, land acquisition leads to physical displacement of persons, and/or loss of shelter, and /or loss of livelihoods and/or loss, denial or restriction of access to economic resources. RAPs are prepared by the implementing agency and contain specific and legal binding requirements to resettle and compensate the affected people before project implementation.
Resettlement Assistance	Resettlement assistance refers to activities that are usually provided during, and immediately after, relocation, such as moving allowances, residential housing, or rentals or other assistance to make the transition smoother for affected households.
Resettlement Policy Framework (RPF)	The RPF is an instrument to be used throughout the project's implementation. The RPF sets out the objectives and principles, organizational arrangements, and funding mechanisms for any resettlement, that may be necessary during implementation. The RPF guides the preparation of Resettlement Action Plans (RAPs), as needed, for sub-projects.
Rights and Entitlements	Rights and entitlements are defined for PAPs and DPs (with the cut-off date) and cover those losing businesses, jobs, and income. These include options for land-for-land or cash compensation. Options regarding community and individual resettlement, and provisions and entitlements to be provided for each affected community or household will be determined and explained, usually in an entitlement matrix.
Witness NGO or Independent Monitor	Some RPFs refer to a witness NGO or an independent monitor that can be contracted to observe the compensation process and provide an independent assessment of the quality of the process. These are usually NGOs or other agencies that are not directly involved in the project and have a reputation for independence and integrity.

ANNEX 6: GOVERNMENT OF TANZANIA CROP COMPENSATION RATES

Please note that these must be used as illustrative only. The most recent crop compensation rates must apply to the RPF.

Table 1.1 Government of Tanzania Crop Compensation Rates for the Period Commencing 01/01/2010

Perennial Crops						
Type of Crop		Market Value in T.Shs				
Per Hectare		Per Stem or Cluster				
Plant Population per Hectare	Average Cared Matured Crop	Average Cared Matured Crop "A"	Crops Between Seedlings to First Harvest (Say 50% of "A")	Aged Crops (Say 25% of "A")	Seedlings (Say 10% of "A")	
A Cash Crops						
1	Coconut (Minazi)	7,150,000	28,600	14,300	5,720	
	125	57,200				
2	Cashewnuts (Mikorosho)	3,796,000	18,980	9,490	3,796	
	100	37,960				
3	Sugar cane (Miwa)	26,000,000	1,040	520	208	
	12,500	2,080				
4	Oilpalm(Michikichi)	4,680,000	15,600	7,800	3,120	
	150	31,200				
5	Cloves (Mikarafuu)	14,560,000	36,400	18,200	7,280	
	200	72,800				
6	Msufi	2,600,000	6,500	3,250	1,300	
	200	13,000				
7	Tobacco	10,400,000	400	200	80	
	13,000	800				
8	Sisal	20,000,000	2,000	1,000	400	
	5,000	4,000				
9	Cocoa	20,000,000	10,000	5,000	2,000	
	1,000	20,000				
10	Cotton	32,000,000	400	200	80	
	40,000	800				
11	Coffee	40,000,000	10,000	5,000	2,000	
	2,000	20,000				
B Fruits						
1	Ovacado (Mparachichi)	3,380,000	16,900	8,450	3,380	
	100	33,800				
2	Ovacado (improved)	9,000,000	30,000	15,000	6,000	
	150	60,000				
3	Tangarine (Mchenza)	8,450,000	16,900	8,450	3,380	
	250	33,800				
4	Oranges (Machungwa)	9,100,000	18,200	9,100	3,640	
	250	36,400				
5	Lemon (Ndimu)	3,250,000	6,500	3,250	1,300	
	250	13,000				
6	Mlimau (Lemon improved)	3,250,000	6,500	3,250	1,300	
	250	13,000				
7	Mango (mwembe)	3,120,000	20,800	10,400	4,160	
	75	41,600				
8	Mango(Mwembe) improved	12,480,000	41,600	20,800	8,300	
	150	83,200				

Perennial Crops							
9	Guava (Mpera)	150	2,340,000	15,600	7,800	3,900	1,560
10	Jackfruit (Mifenesi)	75	2,340,000	31,200	15,600	7,800	3,120
11	Bananas(Migomba 6)	750	21,450,000	28,600	14,300	7,150	2,860
12	Pinaples (Minanasi)	10,000	15,600,000	1,560	780	390	156
13	Pawpaw (Mipapai)	800	8,000,000	10,000	5,000	2,500	1,000
14	Mikweme (Oyster nuts)	150	4,680,000	31,200	15,600	7,800	3,120
15	Kongamanga	250	1,300,000	5,200	2,600	1,300	520
16	Mistafeli (Custard apple)	350	3,640,000	10,400	5,200	2,600	1,040
17	Mitende (Date palm)	125	650,000	5,200	2,600	1,300	520
18	Passion fruits	1,111	4,444,000	4,000	2,000	1,000	400
19	Pears	156	6,489,600	41,600	20,800	10,400	4,160
20	Apples	156	6,489,600	41,600	20,800	10,400	4,160
21	Plums/Peaches	156	6,489,600	41,600	20,800	10,400	4,160
22	Mlozi (Almond)	150	3,120,000	20,800	10,400	5,200	2,080
23	Walnuts	150	5,694,000	37,960	18,980	9,490	3,796
24	Chestnuts	150	5,694,000	37,960	18,980	9,490	3,796
Note: For improved varieties like mango, citrus, guava etc. compensation will base on costs provided by the farmer upon approval by professional horticulturist							
C Spices							
1	Cardamon (Iliki)	800	3,200,000	4,000	2,000	1,000	400
2	Cinamomum (Mdalasini)	1,500	6,240,000	4,160	2,080	1,040	416
3	Black pepper (Pilipili Manga)	1,500	7,800,000	5,200	2,600	1,300	520
4	Tangawizi (Ginger)	5,000	19,000,000	3,800	1,900	950	380
5	Macademia nuts	100	3,796,000	37,960	18,980	9,490	3,796
6	Vanilla	1,000	10,000,000	10,000	5,000	2,500	1,000
7	Flowers	2,500	10,000,000	4,000	2,000	1,000	400
8	Rossela	2,500	10,000,000	4,000	2,000	1,000	400
9	Alovera	2,500	10,000,000	4,000	2,000	1,000	400
10	Litch (Shokishoki)	100	20,000,000	200,000	100,000	50,000	20,000
11	Mashelisheli	100	20,000,000	200,000	100,000	50,000	20,000
D Other							
1	Mchikichi (Palm)						
2	Mianzi (Bambo)	100	20,000,000	200,000	100,000	50,000	20,000
3	Mzabibu (Grape)	2,857	11,428,000	4,000	2,000	1,000	400

Perennial Crops						
4	Msufi (Kapok)		2,600,000		6,500	1,300
		200		13,000		
5	Mlozi (Indian Almondi)	250	3,250,000	13,000	6,500	1,300
					3,250	
6	Mzeituni		33,280,000		41,600	8,320
		400		83,200		
7	Mkungumanga (Nutmeg)	400	5,200,000		6,500	1,300
				13,000		
The schedule is subject to change according to the revision which is currently carried on						

**ANNEX 7 FINDINGS FROM THE STAKEHOLDER CONSULTATIONS
(MAY 7 - 10, 2012) CONSULTATIONS AT NATIONAL LEVEL (MAY 7 – 10, 2012)**

As part of the preparation of the ESMF a number of consultations were undertaken with a selected group of stakeholders in Dar to (a) familiarize the stakeholders on the purpose and objectives of the ESMF and how it will be used in the SAGCOT Project, and (b) to obtain feedback from stakeholders on what are the key issues critical to the success of SAGCOT and what are significant environmental and social issues/impacts that should be incorporated into the ESMF.

The key issues identified during these consultations are summarized in Boxes 7.1 and 7.2.

Box 7.1: Issues and Constraints Identified by Stakeholders at National Level

- (a) Potential impacts of Subprojects**
- Water scarcity
 - Lack of infrastructure maintenance
 - Soil erosion
 - Soil salinity and land fertility has to be observed
 - Issue of health (irrigation resulting in vector related diseases)
 - Cumulative impacts in terms of health and socio-economics
 - Various forms of pollution
 - Livestock grazing and impact on irrigation system
 - Sedimentation due to terracing
 - HIV/ AIDS due to influx of migrant workers
 - Displacement of people
 - Land speculation
 - Need to understand the land tenure system
 - Baseline information on socio- economic aspects and indicators required
 - Capacity needs eg employment and funding for irrigation engineers
 - Transportation (privatized and expensive)
- (b) Recommended mitigation measures**
- Provide monitoring guidelines
 - Education on health impacts on humans and the environment
 - Build capacity to control chemicals
 - Rainwater harvesting at household level
 - Organic farming (considering potentially resulting in high levels of BOD)
 - Integrated Pest Management
- (c) Institutional challenges**
- Lack of environmental staffing can be explained by the non-inclusion of environmental positions under the scheme of services last year. GoT has now provided inclusion for those positions in the scheme of services for 2012-2013.
 - More comprehensive analysis of land requirements

Box 7.2: Issues, Considerations and Constraints Identified by Stakeholders in

(a) Issues/Considerations

- Land with potential for agriculture is 836,000 hectares out of which 17,450 hectares are suitable for irrigation. Presently only 1,217 hectares are under irrigation.
- Some areas in Bagomoyo District have clear farming systems; others don't.
- There are several farmers Associations; Cooperatives to assist farmers in acquiring inputs e.g. Chama cha Ushirika Ruvu (CHAURU); and NGOs Tanzania Agricultural Horticultural Association (TAHA) e.g. involved in irrigation for pineapple production; and DORT Africa
- Fertilizers used are DAP for basal application and Urea for top dressing

(b) Constraints

- Lack of adequate infrastructure
- Land grabbing for speculation
- Sometimes farmers sell their land to investors without proper MoU and essentially no corporate social responsibilities
- No digital maps and hence there are no adequate land classification maps (e.g. for land suitability)
- Most of the land use maps do not integrate key relevant sectors
- Lack of harmonization of laws
- EIA reports come to the district office for review, but once the final reports are prepared at national level, they are no longer shared with district so monitoring and enforcement is very difficult
- Environmental Act is not decentralized which makes all EIA decisions go through NEMC
- There are limited environmental clauses in civil work contracts and no screening system or enforcement mechanisms in place

(c) District Requirements

- GIS mapping unit – Geo-reference data
- Equipment- GPS, transportation
- Need workshops on resettlement and ESMF/guidelines
- Need to establish a grievance mechanism or landowners and associations
- Proper training in environmental management e. g. EIA Training

In addition, as part of the preparation of SRESA, which complement the ESMF and RPF; consultations were done as part of the scoping report with a wide range of stakeholders. Major issues of concern in relation to the SAGCOT programme as a whole can be summarized under the four headings physical, biological, social, and policy and administration, as a guide to study completion. Following is a list of issues related to the social, which is of concern of the RPF and subsequent RAPs. The list is a summary derived from numerous sources including the existing published and grey literature, key informant interviews with SAGCOT stakeholders and cluster officials and

communities, and scoping carried out by the SRESA study team in May and June 2012.

In general, the key issues relate to (i) water, (ii) land, (iii) biodiversity and (iv) social acceptability, together with all the associated governance issues such as land use planning and institutional capacity, and in the context of climate change. The proposed solutions noted in the table are generic, but it is clear that most involve significant changes to policies, institutional reform and change, and political leadership. Further details of the proposed mitigation and enhancement measures are provided later in this report.

Table 7.3 (from SRESA) SAGCOT: Key Social Issues and Risks

<i>Topic</i>	<i>Issue and Risk</i>	<i>Possible Solution</i>
Social		
<i>Land</i>	<ul style="list-style-type: none"> • Availability of land: there is limited knowledge at any level of the actual availability of land (precise location, suitability) due to lack of land use planning and/or surveys. 	a) soil and land suitability surveys, taking into account current and predicted physical conditions; (b) coordinated land use planning and zoning, taking into account issues transcending village and District boundaries (e.g. herders, wildlife).
	<ul style="list-style-type: none"> • Real or perceived "land grabbing" by Tanzanian and/or foreign investors, i.e. take-over of large tracts of land (and/or water rights) for little or no real or perceived short or long-term benefits to local communities. 	Development through consultation with investors, implementing agencies, local communities and civil society of standard operating procedures (SOPs) for land investors, including transparent decision-making mechanisms and standardized forms of agreement and benefit sharing.
	<ul style="list-style-type: none"> • Displacement of legal or informal land users with inadequate compensation and/or practical resettlement planning and implementation. 	As part of individual project planning, ensure that all compensation and resettlement issues are thoroughly investigated and solutions planned and implemented according to the agreed SOPs
<i>Local communities</i>	<ul style="list-style-type: none"> • Real or perceived inadequate compensation and/or benefits to local residents as a result of lopsided / inequitable negotiation processes. 	(a) see above, (b) as part of the SOPs, ensure technical and administrative support for villages and communities when they are negotiating.
	<ul style="list-style-type: none"> • Corruption of local administrations / councils by inducements offered by investors 	Agree and implement transparent SOPs for all negotiations and decision-

Topic	Issue and Risk	Possible Solution
	or their agents.	making.
<i>Smallholders</i>	<ul style="list-style-type: none"> • Limited security of tenure and limited rights and negotiating power concerning land use planning and land transfer. 	Simplify law and enhance property rights for individuals; improve land use planning processes at village level; ensure small farmers' rights are respected in land use decisions.
	<ul style="list-style-type: none"> • Lack of inclusion of smallholders in value chains due to lack of agreed mechanisms tied to specific investments / investors. 	Agree and implement SOPs (see above).
<i>Gender</i>	<ul style="list-style-type: none"> • Lack of inclusion in negotiation and decision-making processes resulting in little or no consideration of gender issues. 	Ensure the SOPs mandate inclusion of women in the negotiation and decision-making mechanisms.
<i>Pastoralism</i>	<ul style="list-style-type: none"> • Marginalization of livestock herders in most policy and decision-making fora 	Recognition of livestock as a major economic and cultural sector, including respect for the rights of pastoralists and their inclusion in decision-making mechanisms.
	<ul style="list-style-type: none"> • Increased pastoralist/ crop farmer conflicts if pastoralists are displaced or removed from land to facilitate agricultural investments. 	Include pastoralists and agro-pastoralists in the land use planning processes which must precede accelerated agricultural investment
<i>Food security</i>	<ul style="list-style-type: none"> • Decreased local or regional food security if non-food commercial crops displace food crops. 	(a) improve infrastructure and remove constraints (e.g. roadblocks) to facilitate inter-regional transfer of food, (b) strategic monitoring of food security changes.
<i>Health and safety</i>	<ul style="list-style-type: none"> • Increased hazards to rural workforce and communities from (a) pesticides, (b) mechanization (if untrained), and (c) work in agro-industries (if unregulated) 	(a) follow the IPM programme developed for the ASDP (b) provide skills training to farmers and agricultural workers, (c) regulate agro-industry conditions