Katsina 80MW PV Project, Nigeria

Livelihood Restoration Strategy

September 2016

Rev: 01
Issue and Revision Record

<table>
<thead>
<tr>
<th>Revision</th>
<th>Date</th>
<th>Originator</th>
<th>Checker</th>
<th>Approver</th>
<th>Narrative</th>
</tr>
</thead>
<tbody>
<tr>
<td>00</td>
<td>05/09/2016</td>
<td>ER</td>
<td>MG</td>
<td>MG</td>
<td>Draft for Client comment</td>
</tr>
<tr>
<td>01</td>
<td>13/09/2016</td>
<td>ER</td>
<td>MG</td>
<td>MG</td>
<td>Final for issue</td>
</tr>
</tbody>
</table>

Disclaimer

This document has been prepared for the titled project or named part thereof and should not be relied upon or used for any other project without an independent check being carried out as to its suitability and prior written authority of OST Energy being obtained. OST Energy accepts no responsibility or liability for the consequence of this document being used for a purpose other than those for which it was commissioned. Any person using or relying on the document for such other purpose will by such use or reliance be taken to confirm his agreement to indemnify OST Energy for all loss or damage resulting therefrom. OST Energy accepts no responsibility or liability for this document to any party other than the person by whom it was commissioned.

As provided for in OST Energy’s proposal, to the extent that this report is based on information supplied by other parties, OST Energy accepts no liability for any loss or damage suffered by the client, whether contractual or tortious, stemming from any conclusions based on data supplied by parties other than OST Energy and used by OST Energy in preparing this report.

Awards and Recognitions

OST’s reputation as one of the world’s most experienced technical advisors has led to us working on over 30 GW of renewable energy projects world-wide and maintaining strong long-term global relationships with major investors, lenders and developers.

Our commitment to excellence in our work has been recognised through a series of annual awards from our foundation in 2008 to today, including recently:

For further information, visit our website www.ostenergy.com
Contents

1 Introduction .............................................................................................................................................. 4
  1.1 Background .......................................................................................................................................... 4
  1.2 Socio-economic Context .................................................................................................................. 4
  1.3 Involuntary Resettlement .................................................................................................................. 5
  1.4 Legislation and Standards ................................................................................................................. 5
    1.4.1 International Standards ................................................................................................................ 5
    1.4.2 National Legislation ..................................................................................................................... 6
    1.4.3 Legal Review Next Steps ............................................................................................................. 7

2 Livelihood Restoration Plan Strategy .................................................................................................... 8
  2.1.1 Task 1: LRP Initiation .................................................................................................................... 8
  2.1.2 Task 2: Consult with Regulatory Authorities .................................................................................... 8
  2.1.3 Task 3: Development LRP Stakeholder Engagement Plan ............................................................ 9
  2.1.4 Task 4: Introduce the LRP Process with Project Affected Communities ................................. 9
  2.1.5 Task 5: Census, Asset Inventory and Valuation ............................................................................. 9
  2.1.6 Task 6: Present Findings of Asset Valuation ................................................................................ 10
  2.1.7 Task 7: Development of an LRP Implementation Strategy .......................................................... 11
  2.1.8 Task 8: Prepare and Disclose LRP Report and Finalise LRP ............................................................................. 11
  2.1.9 Task 9: Implement LRP ................................................................................................................ 11

Appendices

A. Gap Analysis of Nigerian Legislation and International Standards
1 Introduction

This document presents the proposed strategy for the management of the potential economic displacement of households and individuals that are using the land area earmarked for the development of the proposed 80MW Solar PV plant located in Kankia Local Government Area (LGA), Katsina state, Nigeria, to ensure development of the project is in line with both international and national social standards.

1.1 Background

We understand that a certificate of occupancy and EIA for the original 120ha designated for the Katsina PV project has been granted. Due to changes to the technology being used, the project will require an additional 89ha of land. The results from the ESIA and ESIA Addendum have shown that some areas of the land are being used for grazing and farming activities. The acquisition of this additional land will therefore cause displacement, and under international standards, this will trigger IFC’s PS5- Involuntary Resettlement (see Section 1.3 below).

1.2 Socio-economic Context

It is our understanding from the original ESIA and the work that has already been undertaken for the ESIA Addendum that the land designated for the project is partly used for economic activities, farming and livestock rearing. There are an estimated 10 farmers using the additional land, as well as herders using the land for livestock grazing for around 1,000 animals. The livestock grazing are mainly cattle, sheep and goats. The results from the ESIA Addendum field work show that it is not just the additional land that is being cultivated, but some farmers have started cultivating the original 120ha site.

It has also been noted during the ESIA Addendum field work that there is an informal structure or shelter used by the semi-nomadic Fulani. This structure can be seen in the photo below, taken during the ESIA Addendum field work.

Figure 1: Informal Fulani Shelter

This structure is likely to be a temporary structure used during the dry months by the Fulani herdsmen to provide shade and shelter. It is unlikely to be a family dwelling as there are no other structures that would form a community, such as corrals, storage and kitchens.
1.3 Involuntary Resettlement

Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. The current land tenure system in Nigeria is such that all land of each State in the Federation of Nigeria are vested in the Governor of that State and such lands are held in trust and administered by each Governor for the use and common benefit of all Nigerians. It therefore means that the Government of Nigeria have the right to sell land they deem as a common benefit, regardless of the status of occupancy.

The ESIA will highlight resettlement need and a Livelihood Restoration Plan document (LRP) will be developed and implemented and managed through the project’s environmental and social management system (ESMS).

Although land in Nigeria is owned by the State, and the Nigerian Government has legally sold the land to the project, under the IFC PS and World Bank Operating Principles, the land take and land use restriction trigger resettlement planning. International lenders state that traditional ownership and those living and working on the land, even without tittle deeds, still have rights to compensation and livelihood restoration. The ESIA will highlight who is affected and how, but it is already understood that land acquisition for the project will result in loss of farmland and restrictions for cattle grazing in the project area. IFC PS5 is triggered, and the Katsina PV project will therefore need to follow the stringent international standards and guidelines when it comes to resettlement and livelihood restoration planning.

The LRP will be a document that details how PASL will manage the social risks associated with the project. It will act as a guide to resettlement planning and implementation. The LRP will include the process and methodology of how to manage assessing compensations, negotiations with communities, timings, disclosure, roles and responsibilities and so on. The LRP will be in line with IFC and World Bank standards and will need to be approved by the World Bank and the other international lenders before implementation can commence. It is important to note that the LRP will need to be developed, approved and implemented before any construction can begin.

1.4 Legislation and Standards

1.4.1 International Standards

The IFC Performance Standard (PS) 5 and the World Bank’s Operational Policy (OP) 4.12 are the International standards that are applied to projects causing involuntary resettlement and are seeking international project financing. Involuntary resettlement refers both to physical displacement (relocation or loss of home/shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood), as a result of project acquired land.

Due to the involvement of International lenders and the project land acquisition resulting in economic displacement, IFC PS5 and OP4.12 is triggered regarding Land Acquisition and Involuntary Resettlement.

**PS5 and Resettlement**

Project related land acquisition and restrictions on land use can have adverse impacts on communities and people that use this land. The key objectives of this PS are:
• Avoid or at least minimise displacement, wherever feasible, by exploring alternative project designs
• Avoid forced eviction
• Mitigate the adverse social and economic impacts of land acquisition or restrictions on land use by:
  (i) providing compensation for loss of assets at full replacement cost; and
  (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected
• Improve, or restore, the livelihoods and standards of living of displaced persons
• Improve living conditions among physically displaced persons through the provision of adequate housing and security of tenure at resettlement sites

**Difference Between Resettlement Action Plans and Livelihood Restoration Plans**

Typically, the difference between a RAP and a Livelihood Restoration Plan (LRP) or a Land Restoration Plan (LRP), is the difference between physical and economic displacement. PS5 and the International Banks generally refer to a RAP where physical resettlement is required. A RAP will also include provisions and processes to manage adverse impacts to livelihoods too. This may be in the form or compensation and/ or alternative land for continuing income generating activities.

A LRP is usually the document developed to describe the impacts associated with economic displacement, and the process to manage these impacts through restoring livelihoods. This may be through cash compensation for loss of assets, alternative land for farming, or re-training in order to apply new skills to alternative income generating activities.

From the socio-economic studies undertaken during the ESIA and ESIA Addendum work, farm land and grazing land will be acquired and restricted, resulting in economic displacement. A LRP will be required to manage this displacement. The IFC PS5 sets out the requirements and guidelines for the LRP in line with international standards.

**1.4.2 National Legislation**

A legal review of the Nigerian and Katsina State legislation around resettlement has been undertaken by a legal team. The findings of this legal review reveal that the Nigerian laws surrounding resettlement are significantly weaker than International standards. The main findings and gaps between the National and International legislation are summarised below.

• Under local law, there is no requirement for the payment of compensation for land per se by the acquiring authority (i.e. the State) because the rights being revoked are occupancy rather than ownership rights
• Under local law, there is no requirement for public participation or consultation during the land acquisition and resettlement process
• Local law does not set out clear and explicit guidelines for a systematic process of asset valuation. In addition, there does not appear to be a specific requirement for clear documentation and transparency around the calculation of compensation due to each individual etc.
• Under local law the default position is to pay cash compensation rather than prioritise in-kind provisions.
• Under local law, compensation is not provided on the basis of full replacement cost
• Under local law, compensation does not have to be paid prior to the removal of assets
Under local law, there is no requirement for livelihood restoration/improvement. There is also no requirement to manage resettlement as a development initiative.

Under local law, provision of compensation for inconveniences and transition costs suffered as a result of the land acquisition and resettlement process (e.g. temporary loss of use of resources, title charges, re-connection costs, legal costs etc.) is not required.

Under local law, there is no requirement for the provision of supplementary assistance for vulnerable individuals and groups.

Resettlement/land acquisition in Nigeria is typically a wholly government led process, however private sector/consultant led resettlement is increasingly common as the number of internationally financed private sector projects increases in the country. Since resettlement is usually government led, the government allows consultants to lead on resettlement as long as they can be involved enough throughout the process to be sure that the process being followed meets their requirements as a minimum.

1.4.3 Legal Review

Next Steps

The suggested actions and activities to close gaps between Nigerian legislation and International standards will need to be discussed with the Katsina State Government in order to agree on a way forward that satisfies all international requirements. This involves presenting to government representatives through meetings or workshops. The outcomes will include an agreed process, agreed involvement of the Katsina Government, agreed cut-off date and roles and responsibilities of all parties involved. The process will need to ensure that local government are willing to approve the resettlement plan and activities as well as satisfying the IFC and World Bank’s requirements.

Typically, in other resettlement projects in Nigeria, a government representative has been present with the enumeration field team to act as a witness/signatory to the census and asset inventory data received.

A high-level gap analysis has been carried out between the National and International standards and requirements which is included in Appendix A.
2 Livelihood Restoration Plan Strategy

This section outlines the steps that are required for undertaking a LRP in line with International standards. The following steps will require partnering with local consultants to undertake the in-country field work activities and engagement activities. Local partners will be able to provide cultural and language skills that will enable access to the communities and ensure the participation of those affected by project-induced displacement.

The key stages of the LRP are as follows:

- Task 1: LRP Initiation
- Task 2: Consult with Regulatory Authorities
- Task 3: Development LRP Stakeholder Engagement Plan
- Task 4: Introduce the LRP Process with Project Affected Communities
- Task 5: Census, Asset Inventory and Valuation
- Task 6: Present Findings of Asset Valuation
- Task 7: Development of an LRP Implementation Strategy
- Task 8: Prepare and Disclose Draft LRP Report and Finalise LRP
- Task 9: Implement LRP.

2.1.1 Task 1: LRP Initiation

The first stage in the LRP will be to establish the following:

- Existing and available data relevant to the LRP process and identify any additional data that may be required
- An accurate and final project footprint and associated infrastructure, such as switchyard and transmission route, including appropriate mapping, coordinates etc.
- The status of land acquisition for the project and associated infrastructure
- Finalise and agree the LRP strategy, process and objectives
- Clearly allocate roles and responsibilities for the Sponsor, local partners, consultants etc.
- Plan and coordinate in-country field work activities
- Plan meetings with the Katsina State Government and Regulatory Authorities.

It is recommended that a kick-off meeting and/or workshop is held, this could be held either in Abuja or by conference call to ensure the above points are clearly understood by all relevant parties.

2.1.2 Task 2: Consult with Regulatory Authorities

It is important to ensure that the relevant Authorities understand, agree and buy into the LRP process. Consultation with the relevant authorities, in this case the Katsina State Government and potentially the Kankia LGA, should include the following objectives:

- Formally understand the Katsina State Government's position on the formal resettlement and compensation process for the Katsina PV Project
- Confirm the key State and national authorities involved in the resettlement process that need to be consulted
- To discuss and agree the approach for the resettlement process and the respective roles and responsibilities for Katsina State Government, PASL etc.
- Discuss the identified gaps between Nigerian and Katsina State requirements and the International requirements for resettlement, and resolve these gaps.
Agree a cut-off date and the process and methods for announcing this date. The cut-off date is the last day of the census and usually requires a minimum of 14 days’ notice but can be up to 1 month.

Undertake a workshop with relevant authorities’ representatives and potential local partners to introduce the LRP team.

Following consultation with the Katsina State Government, it may be necessary to revise the scope and budget for the full LRP process.

2.1.3 Task 3: Development LRP Stakeholder Engagement Plan

The LRP will require its own Stakeholder Engagement Plan (SEP). This will be separate from the SEP developed for the ESIA, and will be specific to the resettlement programme. The LRP SEP will include topics such as disclosure activities, consultation activities (e.g., public meetings, workshops), and formal negotiations processes. The SEP will be developed to compliment the activities of the ESIA engagement process, and continue to build trust between the affected communities and the project by being open and transparent. This plan should meet the following tests:

- Provide opportunities for free, prior and informed consultation with all stakeholders
- Facilitate informed participation in the process
- Secure broad community support with respect to the compensation planning process.

The aim of the LRP SEP will be to:

- Support the identification of compensation stakeholders
- Summarise the process and approach to this resettlement and livelihood restoration plan, to ensure a clear understanding by affected communities of the next steps
- Establish broad community support for the resettlement, compensation and negotiation process
- Introduce a resettlement specific grievance process.

The LRP SEP is a ‘live document’, and will continue to be updated following consultation and engagement meetings.

2.1.4 Task 4: Introduce the LRP Process with Project Affected Communities

The project / sponsor will need to consult with communities that will be directly affected by the project, and will incur economic and or physical displacement. The consultation will seek to:

- Initiate discussions that will reach broad support from displaced people on the compensation process and livelihood restoration
- Understand where alternative like-for-like land may be and how this can be allocated to affected people
- Agree and announce the cut-off date
- Agree on survey and census work, timings and planning.

It may be necessary to have a representative from Katsina State Government present during these community meetings.

2.1.5 Task 5: Census, Asset Inventory and Valuation

The purpose of this step is to undertake a census and understand the specific socio-economic context of the people and households that will be affected by land acquisition, including types of
land ownership and use, categories of eligibility, levels of vulnerability and alternative land availability. An asset inventory and valuation in terms of land, land-use, crops, affected structures, trees, and other assets will then be undertaken. In order to achieve this the following steps will need be undertaken:

- Carry out a 100% asset registration and census of households/ owners/ users that will be affected by the land acquisition. NB only those using assets in the project area prior to the cut-off date will be eligible for compensation and livelihood restoration.
- Conduct a baseline socio economic survey to close gaps between ESIA and LRP
- Document and valuate affected assets (including photographic / video evidence) in the presence of each household representative and ensure sign off on identified assets.
- Market valuation study to determine current market values of assets and inputs in order to populate the entitlements matrix.
- Leave the entitlements with the owner/user and allow for a "period to appeal" for the valuation findings.
- Describe any need for updates to census, assets inventories, resource assessments, and socioeconomic surveys, if necessary, as part of LRP monitoring and evaluation.
- Once the cut-off date and census are complete, the government will need to issue a formal notice banning the construction or approval of construction of new buildings or any improvements on the land allocated for the project.
- Consult with authorities and Headmen on alternative like-for-like land. It may be necessary to undertake ecological assessment to prove that the alternative land is of the same quality or better for grazing and agriculture activities.

### 2.1.6 Task 6: Present Findings of Asset Valuation

Following Task 5 above, the results of the census, assets inventories, natural resource assessments, and socioeconomic surveys will be used to finalise the entitlements matrix of project affected households, and presented to the local community and affected individuals/ households.

Initially the project will need to consult with the Katsina State Government on proposed entitlements for project affected people, in the event that they will fund part of the resettlement, or allocate and protect alternative land.

#### a) To Community

The findings of the entitlements will be presented to the relevant community, in an appropriate manner that ensures confidentiality for individuals, in order to:

- Determine general satisfaction regarding the entitlements matrix and the valuation process used to determine entitlements
- Present results for alternative grazing sites and alternative agriculture land (if being allocated), as any land tenure or occupancy rights the affected people will have
- Consult on restoration strategies, if any, such as training and skills development if alternative land cannot be allocated for agricultural purposes

#### b) To Individuals

Following the community consultation, the project/ Sponsor will then need to present individual entitlements to each affected individual/ household. This information is confidential and therefore figures should not be discussed during the community level meeting. Consultation with individuals...
would not discuss the methodology used at reaching the entitlements, as this would have been discussed at the community meeting.

Consultation would also cover livelihood restoration activities, such as alternative like for like land that has been identified through consultation with Headmen and communities, and socio-economic surveys, or other potential livelihoods and skills training identified as a suitable alternative.

2.1.7 Task 7: Development of an LRP Implementation Strategy

An LRP implementation strategy would need to be developed to cover the following:

- A detailed budget for implementation of the LRP, including scheduling and resourcing for resettlement and restoration activities
- A grievance procedure and formal appeals procedure
- A framework for monitoring and evaluation processes

2.1.8 Task 8: Prepare and Disclose LRP Report and Finalise LRP

An LRP report would need to be prepared based on all the information gathered in the previous tasks, as well as instruments to facilitate LRP implementation, for disclosure to the relevant authorities and public for comment. A non-technical summary for public disclosure would also be required; typically, a 30-60-day disclosure period is required for IFC and World Bank projects.

A Final LRP report, which incorporates comments received from the disclosure and consultation, would then be issued.

2.1.9 Task 9: Implement LRP

After the final LRP has been submitted, implementation and payment of compensation must be finalised before clearing and preparation of the project site and construction can begin. If necessary, it is possible to phase the compensation in line with the phasing of the project construction activities. For instance, it is understood that the switchyard and transmission route be constructed first, therefore those directly affected by this can be compensated before other affected people, and works can commence before other affected people are compensated if necessary.

With respect to financial/monetary compensation, each affected person entitled to compensation will receive:

- A description of affected assets
- A map showing the location of structures, if any, on the fields
- Photographs of the fields, crops and structures (if any) belonging to them
- A description of livelihood restoration entitlements

All eligible people must sign-off on the entitlements package which will be witnessed by a representative of the Sponsor and possibly a Katsina State Government representative. All compensation payment data for each individual household will then be entered (and tracked) into a database management system.

With respect to livelihood restoration, grazing sites and in-kind compensation, planning for alternative like for like land will need to begin early in the process and will be a critical part of negotiations with communities and Headmen. Engagement with Katsina State Government, affected communities and Headmen will help to identify suitable alternative land. It may be
necessary to carry out land surveys and topographical surveys to determine whether or not the land is of the same value. Once an area has been identified, the following will need to be taken into consideration:

- Individual plots and their tenure/ rights
- Irrigation and inputs and potential fencing
- Transition assistance for farmer relocation (livestock and assets that can be moved)
- Clearing and preparing of the new site
- This will need to be consistent with national legislation as well as terms to be negotiated by the communities.

A process to manage, store and respond to grievances related to the LRP implementation will need to be developed. In particular, grievances on compensation will be monitored and responded to ensure effective land acquisition.
Appendices

A. Gap Analysis of Nigerian Legislation and International Standards
Table 1: Gap Analysis of Nigerian Legislation and International Standards

<table>
<thead>
<tr>
<th>Issue</th>
<th>Local Legislation</th>
<th>International Standards (IFC PS5 and OP 41.12)</th>
<th>Recommendation to Close Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Footprint and Design</td>
<td>No reference to alternative design to minimise and avoid physical and/or economic displacement. Revocation of rights of occupancy if the land is required for overriding public interest.</td>
<td>Evidence of feasible alternative project designs to avoid or minimise physical and/or economic displacement.</td>
<td>The ESIA and land surveys will help to identify suitable alternative project designs that should minimise displacement impacts. The alternatives and final project design and justification will be documented in the LRP.</td>
</tr>
<tr>
<td>RAP, LRP, LAP Reports</td>
<td>No reference to the development of a resettlement planning document such as a RAP/ LRP/ LAP for instance.</td>
<td>As a result of involuntary resettlement being triggered, the proponent is required to develop a plan to manage the risks and processes associated with the resettlement. This plan will include, at a minimum, the requirements of PS5 and OP4.12. The plan will also include compensation at full replacement cost for land and other assets lost. It will be designed to mitigate the negative impacts of displacement; identify development opportunities; develop a resettlement budget and schedule; and establish the entitlements of all categories of affected persons (including host communities if any) etc.</td>
<td>A LRP will be developed in line with international best practice to ensure that the requirements of PS5 and OP4.12 are met.</td>
</tr>
<tr>
<td>Consultation and Participation</td>
<td>Typically, the Ministry of Lands (in Katsina) will prepare a notice of acquisition with the survey description. The notice is then published in two newspapers (one national and the other local) and the government gazette. This disclosure is not however in addition to other proactive consultation or participatory activities.</td>
<td>Resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected.</td>
<td>As part of the ESIA process, the project has undertaken consultation with relevant stakeholders throughout the ESIA process. During resettlement planning, consultation with affected communities and land users will continue, in line with the international requirements and is more specific to resettlement/displacement than regular consultation activities. The LRP will document the consultation framework for the project.</td>
</tr>
<tr>
<td>Issue</td>
<td>Local Legislation</td>
<td>International Standards (IFC PS5 and OP 41.12)</td>
<td>Recommendation to Close Gap</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------</td>
<td>---------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Vulnerable Groups</td>
<td>Nigerian legislation does not recognise vulnerable groups as stakeholders to specifically address or make provisions for vulnerable groups.</td>
<td>Specific provisions need to be made to ensure that vulnerable groups being displaced are included in resettlement planning, consultation and implementation. The IFC categorises vulnerable groups as those more marginalised than main groups in society. This can mean the elderly, disabled, indigenous people or ethnic minorities.</td>
<td>Vulnerable groups have been identified in the ESIA field work activities. Specific measures will be developed to address their particular needs.</td>
</tr>
<tr>
<td>Census and Asset Inventory</td>
<td>The Nigerian Constitution and the Land Use Act require that prompt compensation be paid to the persons from whom such land was acquired after an asset inventory is undertaken. Compensation is usually for the value of the improvements on and to the land at the date of the acquisition and not the value of the bare land.</td>
<td>A census and asset inventory will be carried out in order to collect appropriate socio-economic baseline data to identify all people who will be displaced by the project, determine who will be eligible for compensation and assistance, and prevent ineligible people, such as opportunistic settlers, from claiming benefits.</td>
<td>The level of detail of the information required under international standards is far greater than that required under local law. A comprehensive census and asset inventory will be conducted the project.</td>
</tr>
<tr>
<td>Compensation – Full Replacement Cost, In-Kind Provisions and Security of Tenure</td>
<td>The compensation required under local legislation only covers “unexhausted improvements” made to the affected land in instances where occupancy rights are subject to removal. The required compensation amounts also take depreciation into account and market rates are not employed as a basis for valuation. Local legislation, while permitting in-kind replacements, remains largely focused on cash-based compensation. Security of tenure is not provided to affected people under local legislation.</td>
<td>The rate of compensation for lost assets should be calculated at full replacement cost; that is, the market value of the assets plus transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. Compensation in kind should be offered in lieu of cash compensation where feasible, and particularly for poor and vulnerable people. Security of tenure should be provided to all those displaced by the project.</td>
<td>The principle of full replacement cost is not employed under local legislation and there is less of an emphasis on the need for in-kind replacement. Security of tenure is also not a local legislative requirement. The project should top up compensation amounts to ensure compliance with the principle of full replacement cost and affected people should be encouraged to opt for in-kind compensation provisions.</td>
</tr>
<tr>
<td>Issue</td>
<td>Local Legislation</td>
<td>International Standards (IFC PS5 and OP 41.12)</td>
<td>Recommendation to Close Gap</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Eligibility and Entitlements</td>
<td>Nigerian law and LUA, state that all land rights constitute occupancy rights rather than ownership rights. Eligibility for compensation for loss of land is non-existent. Anyone possessing a statutory or customary right of occupancy to affected land is only entitled to compensation for unexhausted improvements made to that land. Encroachers are not recognised as an eligible group, and are thus not entitled to any compensation provisions.</td>
<td>A procedure should be developed for establishing the criteria by which displaced persons will be deemed eligible for compensation and other resettlement assistance. Displaced persons may be classified as: (i) those who have formal legal rights to land (including customary and traditional rights recognised under the laws of the country); (ii) 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 recognised under the laws of the country or become recognised through a process identified in the RAP; and (iii) those who have no recognisable legal right or claim to the land they are occupying. Groups (i) and (ii) should be provided with compensation for loss of land and associated assets. Group (iii) should be provided with resettlement assistance (which may consist of land, other assets, cash, employment, and so on, as appropriate) in lieu of compensation for the land they occupy, provided that they occupy the project area prior to the cut-off date.</td>
<td>Eligibility criteria under local legislation is much narrower than that under international standards. In particular, although statutory and customary occupancy rights are recognised, as occupancy rights the land that is occupied is not deemed to be owned and accordingly compensation for it is not provided. Encroachers etc. are also not recognised under local legislation, whereas under international standards they are. The LRP will take a comprehensive approach to eligibility, delineating occupancy rights as ownership rights and compensating accordingly. It is also important that other groups such as those settling on the land before a cut-off date is officially announced are considered an eligible group for the purposes of compensation and assistance.</td>
</tr>
<tr>
<td>Cut-off Date</td>
<td>Though a cut-off date is not written into local legislation, previous experience with the Ministry of Lands in other states suggest that there is a six week notice period given for land</td>
<td>Where local governments do not have cut-off dates, International standards state that one needs to be established. The cut-off date will be widely disseminated throughout the project area and wider (to allow for those not living full time in the project area to be made aware). The cut-off</td>
<td>The last day of the census and enumeration will be the cut-off date. The LRP methodology will ensure this date is widely disseminated.</td>
</tr>
<tr>
<td>Issue</td>
<td>Local Legislation</td>
<td>International Standards (IFC PS5 and OP 41.12)</td>
<td>Recommendation to Close Gap</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>to be acquired by the Project. This does not constitute a formal cut-off date.</td>
<td>date means that those encroaching on the project area after this time will not be eligible for compensation or assistance.</td>
<td></td>
</tr>
<tr>
<td>Timing</td>
<td>Nigeria legislation suggests that compensation should be paid within a reasonable time period.</td>
<td>Resettlement measures need to be in place before people are displaced and land use is restricted. These measures include the provision of compensation and of other assistance required for relocation, and the preparation and provision of new resettlement sites, where required; i.e. compensation and allowance need to be paid before construction can begin.</td>
<td>As there is no clear guidance in the Nigerian legislation, the international standards are to be followed. The project must therefore ensure that all compensation and provisions are made before construction activities begin and people are restricted from using the land and assets lost.</td>
</tr>
<tr>
<td>Resettlement Assistance and Transition Allowances</td>
<td>Nigerian legislation does not stipulate any provision for resettlement assistance and transition allowances.</td>
<td>Provide appropriate resettlement assistance and transitional support based on reasonable estimates of the time required to restore income earning capacity, productivity levels and associated livelihoods and standards of living to before project induced impacts.</td>
<td>The project will ensure that appropriate resettlement assistance is provided to all, including vulnerable groups. Any relocation should be made with the least possible disruption, i.e. convenient times of day for removal etc. and that appropriate transition allowances etc. are provided to affected people to enable them to restore their livelihoods and standards of living in the post-displacement context.</td>
</tr>
<tr>
<td>Livelihood Restoration</td>
<td>Nigerian legislation does not recognise livelihood restoration as a concept.</td>
<td>Displaced people 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.</td>
<td>An LRP will be developed to ensure that those economically displaced by the project are fully compensated for loss of assets or have access to alternative land of the same ecological value, and alternative grazing sites are identified.</td>
</tr>
<tr>
<td>Grievance Process</td>
<td>The Nigerian legislation is not clear on a grievance process, although it does say that disputes over compensation must be resolved.</td>
<td>Appropriate and accessible grievance mechanisms need to be established. Some displaced people will have complaints about aspects of their change in circumstances. Prior</td>
<td>A grievance process has been established for the ESIA. The LRP will have a separate process that will follow the same methodology, but will</td>
</tr>
<tr>
<td>Issue</td>
<td>Local Legislation</td>
<td>International Standards (IFC PS5 and OP 41.12)</td>
<td>Recommendation to Close Gap</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Disputes</td>
<td>Disputes are referred to the appropriate Land Allocation Advisory Committee</td>
<td>To the initiation of displacement, procedures should be in place for recording and addressing grievances.</td>
<td>Record and address all resettlement related issues.</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>There are no monitoring and evaluation requirements in the Nigerian legislation.</td>
<td>The project will be responsible for adequate monitoring and evaluation of the activities set out in the LRP. Once the project is complete, an assessment to determine whether the objectives of the LRP have been met will be carried out. The assessment should take into account the baseline conditions and the results of resettlement process. If the assessment reveals that the objectives of the resettlement/ LRP have not been achieved, the project should propose follow-up measures.</td>
<td>A system for monitoring and evaluation will need to be developed in the LRP.</td>
</tr>
</tbody>
</table>