

**DRAFT RESETTLEMENT POLICY FOR TRANSMISSION AND DISTRIBUTION  
PROJECTS**



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## 1.0 INTRODUCTION

### 1.1 *Background and causes of compensation*

ZESCO Limited is mainly in the business of electricity generation, transmission and distribution throughout the Republic of Zambia. During the execution of projects in the above areas of business, some project activities have adverse impacts resulting in the resettlement and compensation of affected people.

In transmission and distribution projects, compensation and resettlement are caused by land acquisitions for substations and access roads and acquisition of land for way leaves (i.e. rights of way) of various sizes for power lines at various voltage levels as in table 1 below;

Table 1: Way-leave sizes for various voltage levels

<b>Transmission &amp; Distribution Line Voltage Level</b>	<b>Way-Leave Width (m)</b>
330KV	50
220KV	48
132KV	32
88KV,66KV and 33KV (H - pole)	30
33KV (single pole)	22
11KV	22

The draft policy covers only transmission and distribution projects.

### 1.2 *Policy Guidelines*

ZESCO Compensation Guidelines and the Electricity Act stipulate that in order to construct any infrastructure where access on or through various properties is required, consent shall be sought from the various landowners. ZESCO therefore, seeks the consent (agreement) of the owners or occupiers of the land needed for the project. Where mutual agreement cannot be reached at a proposed site or along a proposed route (alignment) for any line, ZESCO explores alternative sites or routes to the fullest extent possible. As a matter of policy, the company plans at least three alternative routes for any line access road in order to accommodate landowners' views. Some landowners may object to the line passing through their farms or land. The company resorts to the Land Acquisition Act (LAA) and the Electricity Act (EA), which provides for compulsory land acquisition (where necessary) in the national interest, only in those rare cases where alternative locations or routes are not possible, even though the investment cost may be higher than that of the original location or route.

The following basic principles and guidelines are applicable;

- Hydropower generation, which requires dams and reservoirs that displace many people, are not covered in this policy. This covers only small-business losses due to relocation through transmission and distribution line development. A policy for dam resettlement (to be developed) would include all of the current policy and detail the obligations incurred in economic rehabilitation and income restoration and improvement.
- In congested or urban areas, the usual way-leave may be reduced, but not beyond the minimum necessary for public safety, in order to accommodate existing land use.
- Infrastructure such as substations and maintenance roads may require access to land in some cases. In these instances as a matter of both policy and practice, ZESCO seeks unoccupied, available land, either vacant government or traditional land, or undeveloped land held by a willing seller. In these instances, too, the company would resort to the Land Acquisition Act and the Electricity Act only when the landowner refuses access and no alternative routing or location is feasible, even if costs may be higher.
- The ZESCO's practice of negotiating with landowners instead of directly and immediately resorting to compulsory acquisition provided for in the Land Acquisition and the Electricity Act through the Office of the President has several important advantages. Land acquisition is minimized, compensation is at full replacement value, and adverse effects are usually minimized by way of ZESCO helping the affected people to acquire land on which to build new houses or business buildings from the local authorities in both rural and urban areas. Most importantly, ZESCO land acquisition practice seldom, if ever, affects the livelihoods of displaced persons (DPs) and where it does (e.g. shifting shops and stores), ZESCO compensates for lost income and wages. In sum, because ZESCO policy emphasizes minimization of permanent and temporary land acquisition, negotiation with DPs, payment of compensation at full, undepreciated replacement value with additional considerations for the inconvenience and avoidance of undertaking that affect DP livelihoods, ZESCO involuntary resettlement mostly involves resiting houses and businesses short distances from their original locations, without serious consequence for DP livelihoods.

## 2.0 GOVERNMENT PRINCIPLES AND OBJECTIVES FOR RESETTLEMENT

Policy objectives and basic approach to arriving at good compensation include:

- The objective of the Resettlement Policy is to ensure that the fewest people possible are affected by company undertakings, and that those who are affected do not suffer adverse consequences without full and final compensation. An important governing principle of this objective is to avoid involuntary resettlement wherever feasible and when not, to minimize it, exploring all viable project alternatives. For this reason, as a matter of both policy and practice, ZESCO examines and incorporates into its planning, the probable extent of impact on local populations. The company first seeks vacant government and traditional land and or undeveloped private land from a willing seller. Then, when private owned or occupied land must be taken, the company reviews the impact of the proposed undertaking (e.g., substation, transmission and or distribution line) and revises the siting or alignment of an infrastructure to avoid populations to the fullest extent possible.
- When involuntary resettlement is unavoidable, ZESCO strives, as a matter of principle and practice, to limit the extent of individual, family and community impact. Transmission and distribution lines usually occupy only a narrow strip across farms, and expressly avoid both existing structures and areas of future farm development. Similarly, in peri-urban and urban areas, ZESCO explicitly limits to the fullest extent possible the adverse consequence to housing and other structures. The company strives not to affect displaced persons' livelihoods and incomes. Moreover, for households, ZESCO seeks not only to relocate displaced persons as near as possible to their existing residence, but also pays full, undepreciated replacement value for all assets affected, so that DPs can improve their housing and other structures. Similarly, for shops, service structures and business housing, ZESCO seeks to relocate enterprises as near to their existing premises as possible in order to maintain goodwill and reimburses both profit and wages lost during the transition period. In short, ZESCO strives to limit adverse impacts both in number of DPs and the extent of impact (i.e. loss of livelihood).
- ZESCO conceives of resettlement activities in a sustainable development framework. Displaced persons are meaningfully consulted and provided opportunities to participate in planning and implementation of these programmes and the company is willing to put special programmes in place when necessary. When business livelihoods and incomes are unavoidably affected, ZESCO strives to assist the enterprise to re-establish itself in or near its original location and provides compensation for lost business and wages.

- Since all people are not alike and do not have similar circumstances, ZESCO pays particular attention to the needs of vulnerable groups among the displaced, especially those below the poverty line; the elderly, children and the handicapped. Where the company cannot itself provide the special assistance needed by these groups, the company engages a qualified agency to provide such services.
- This Corporate Resettlement Policy applies to all components of any project regardless of the source of financing. It also applies to other activities resulting in involuntary resettlement that are (a) directly and significantly related to the project, (b) necessary to achieve its objectives as set forth in the project documents; and (c) carried out, or planned to be carried out, contemporaneous, with the project. Moreover, whenever national laws, company policy or donor policies are at variance, the highest standard will be applied because all other relevant laws and policies are thereby fully complied with.

### **3.0 PROCESS FOR PREPARING AND APPROVING RESETTLEMENT PLANS.**

- ZESCO retains full responsibility of preparing and approving re-settlement or re-location plans through its Environment and Social Affairs Unit (ESU), which may contract out the work, as required.
- Once a project has been decided upon and the best alternative route corridor has been identified through environmental screening and or EIA, ZESCO through ESU and the ZESCO Survey Department undertakes a census of the people who will be affected by the project. The census notes, first, the nature of impact (i.e. house, business, land or livelihood) and notes the number of people in each household. For businesses, the census covers: the size and type of structure; estimate monthly profits; and number of employees and their wage rate. For farms, the survey notes: the type of tenure, soil quality, land and ownership or occupancy of any vacant plots by inquiring in the community about individuals who are not present at the time of the survey. Generally, ZESCO undertakings do not adversely affect other employment and livelihood, but in such a case, the census would cover other pertinent matters necessary for planning income restoration activities.
- On the basis of this information, ZESCO hires independent Real Estate Valuers to provide a cost estimate for the structures and assets, including land that may be taken by the project. The cost estimate explicitly includes supplementary payments such as Inconvenience premium, house improvement payment, moving costs, lost profit and lost wages, as relevant. Where there is no income restoration program necessary, the Valuers compensation programme constitutes a major component of the resettle resettlement plan, which is approved by ZESCO Management.

- At the same time, ZESCO arranges with local authorities to provide an alternative plot for each family and business to be relocated. In rural areas, replacement plots are arranged through the village headman at the request of ZESCO and in consultation with DPs. In urban areas, ZESCO follows a similar procedure or acquires plots from the local council and pays all administrative fees for purchase of these plots and transfer of title to DPs. ZESCO also works with the local authorities to ensure that the new plots are at least as well serviced as the homes and businesses taken up to pave way for projects.
- In the rare instance where ZESCO land taking affects family livelihood, the company would define appropriate remedial measures, in consultation with the displaced persons. The income restoration programme would be implemented by ZESCO directly or under contract to a competent consultant or Non-Governmental Organization (NGO). Since the establishment of the ESU (1996), however, no Undertaking has affected DP livelihoods to this extent.

#### **4.0 ESTIMATED POPULATION DISPLACEMENT, BY CATEGORY**

ZESCO undertakings require, at most, limited areas for substations, transmission and distribution lines access and maintenance roads. ZESCO seeks to minimize displacement by acquiring vacant state and traditional land or undeveloped private land from a willing seller. When other involuntary acquisition is required, the number of people impacted is in all most all instances limited to shifting the structures to a nearby plot acceptable to DPs. Because livelihoods (apart from some shops and businesses) are not affected, the categorization of displaced population is limited, at this time, to structures lost and farmland taken. Should livelihoods other than shops and businesses be affected, the estimation of population displacement by category, (table 2 below) would be expanded to detail such instances.

**Table 2: Categorization of Affected Population and Poverty**

	<b>Residences</b>			<b>Shops</b>			<b>Farms</b>		
	<b>No. of Structures</b> (including trees and other improvements [1])	<b>No. of People</b>	<b>Est. Value (+ add'l chrgs)</b>	<b>No. of Shops</b> (type and number) [1]	<b>No. of Employees</b> (wage rate)	<b>Est. Value Each Bldg (+ lost profit)</b>	<b>No. Farms [2]</b>	<b>Land area</b>	<b>Est. Value</b>
<b>Locality</b>									
Line (voltage)									
Access road									
Line (voltage)									
Access road									
Line (voltage)									
Access road									
Substation									
<b>Locality</b>									
Line (voltage)									
Access road									
Line (voltage)									
Access road									
Line (voltage)									
Access road									
Substation									
<b>Cost subtotals (ZMK)</b>									

## 5.0 ELIGIBILITY CRITERIA

The following form the basis of eligibility criteria:

- ZESCO espouses the principle of compensation and assistance in proportion of the extent of impact. Specifically, ZESCO pays for land and assets taken permanently (for instance taken up by substations, pylon footings, maintenance roads etc), rents land or structures taken temporarily (e.g. construction roads, maintenance activities) and pays a fee for restricting use rights (e.g. transmission lines). In each instance, the value is established by Real Estate Valuator and negotiated with ZESCO or its intermediary agent with the owner or occupier. Land and assets taken permanently is valued for the production foregone or market rental value, as applicable, for the period the land is required by ZESCO
- Further, ZESCO recognizes formal and potential legal rights to land, including customary and traditional rights as defined in the Laws of Zambia. All such legal owners and titleholders of land are eligible for prompt full compensation for the assets taken (e.g., structures, land, trees) and where necessary, support after displacement and/or development assistance to restore income earning capabilities, in proportion to the extent of impact.
- Persons who have no recognizable legal rights or claim to the land they are occupying maybe provided with resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objective of sustainable development. As a matter of principle and of practical necessity, to avoid opportunistic encroachment, ZESCO will conduct a baseline census (and if required for economic rehabilitation, socio-economic census) to determine the number and tenure status of each DP in the area under consideration for either permanent or temporary acquisition. The date of cut-off for eligibility is determined by the date of the census. ZESCO may, at its discretion, issue identification cards to DPs in order to certify their status in each subproject. Those persons without formal tenurial (including tenants) will not be entitled to assistance under the ZESCO program.
- In that context, ZESCO espouses the principle that compensation and assistance is in proportion to the extent of the impact, taking into account the possible special needs of vulnerable populations. In other words, the company will pay open market value for all land taken permanently, pay appropriate rent for all land taken temporary (e.g. construction access road) and may pay an appropriate fee for any restriction of use rights.

## 6.0 LEGAL FRAMWORK

The following legal frame for the basis of the policy framework;

Although land acquisition by ZESCO is usually through mutual negotiation and agreement, the land taking is involuntary because the Company can resort, when necessary, to the Land Acquisition Act and the Electricity Act of 1995 ( Part III, Acquisition of Land an Rights Over Land). Further, ZESCO procedure parallels the requirements of the Land Acquisition Act (with notification, valuation, negotiation and compensation). This section therefore reviews the legal procedures accorded under the Land Acquisition Act and then the sectoral Eeectricity Act.

### Land Acquisition Act

- Compulsory Acquisition (Part II). The president is empowered to compulsorily acquire any property of any description in accordance with the Act (section 3). A preliminary investigation may be conducted for purposes of valuation before acquisition occurs and the investigators are empowered to enter any premises upon 7 days notice in the case of a building (Section 4); any damage will be compensated. The owners of the property to be acquired must be notified personally ( or served “leaving it at their last usual place or residence or business (Section 7) of the impending acquisition (section 5 ); further, every such notice shall be published in the Gazette as soon as maybe practicable after the same has been served in accordance with the provisions of this section, and in addition, in the case of land, a caveat shall be lodged with the Registrar of Lands 9 section 7([3]). “ Every notice shall in addition, invite any person claiming to be interested in such property to such claim to the Minister within four weeks of the publication of the Gazette notice” (Section 5[2]). Finally, the owners of the property must be notified when to yield possession with not less than two months from the date of service of the notice” ( Section 6)
- Compensation (Part III). Affected persons shall be compensated by Parliament; alternatively, with mutual agreement, alternative land may be provided (Section 10) Disputes on issues other than the sum relating to compensation that continue beyond six weeks after publication of notice in the Gazette shall be resolved by the aggrieved party instituting legal proceedings in Court. However, the mere existence of a dispute does not affect the President’s right to take possession of the property. But the property can only be possessed when the sum determined as such by the Minister has been paid (Section 11).
- Principles for Assessment of Compensation (Part III, Section 12). The open market value shall be taken into account. But there is no legally required allowance on account of the acquisition being compulsory. Nor is there any legally required allowance for improvements after the notice to yield

“Land ‘ includes any land under whatever tenure held and an easement, servitude, right or privilege in or over land or water” ( Part I, para.2).

Possession. In the instance of a dispute, the decision of the Court (or in the case of an appeal, the Supreme Court) shall be final (Section 14).

- Utilized and Undeveloped Land (Part IV). No compensation shall be payable in respect to undeveloped or unutilized land. Land does not cease to be undeveloped only because it is fenced, hedged, cleared, leveled or ploughed. In a rural area, land that has not been cultivated or used as pasture for two years preceding the notice to yield possession shall be deemed undeveloped. However, compensation shall be payable in respect to the “ unexhausted improvements” on utilized land (Section 15).
- Compensation Advisory Board (Part VI). A Board will assist the Minister in assessing compensation, and the Chairman of the three-member board shall be an advocate of the High Court of Zambia. Also (Section 28), any person who willfully fails to yield possession or who interferes with the process shall be guilty of an offence and liable to a fine
- The Electricity Act authorizes the involuntary taking of land and whenever necessary for the operation of the electrical system. “The president may, by order, authorize the acquisition by compulsion of so much land, including State Land, as the President may consider necessary for any purpose associated with the generation, transmission, distribution or supply of electricity by an operator of any undertaking and any acquisition in terms of this section shall be completed in accordance with such directions as the President may give in that or another order” (Part III, 14.[1]). The Act emphasizes that mutual agreement on land taking, whenever possible, is the preferred option: “Before making an order under subsection (1), the President shall be satisfied that – (a) the operator concerned has taken all reasonable steps to acquire the land intended to be used on reasonable terms by agreement with the owner of the land; and (b) the acquisition of such land is necessary for the purposes of the undertaking carried on by the operator” (Part III, 14 [2]).
- The Act directs that each owner or occupier be notified of the intent to take land. “An application for an order under this section shall be made in the manner prescribed and a copy of each application shall be served on the owner of the land and on any person lawfully occupying it if such owner or person is, at the time of application, resident within Zambia” (Part III, 14 [5]).
- The Electricity Act directs that compensation be paid for loss or damage due to the land taking: “Adequate compensation shall, from moneys appropriated for the purpose by Parliament, be paid to any person who suffers loss or damage through the exercise of the powers conferred by this section in accordance with the provisions of the Land Acquisition Act” (Part III, 14 [4]).
- In the instance that ZESCO and the landowner cannot agree on the amount of compensation, the matter is referred to arbitration. The Electricity Act (Part

III,20) reads: “In the exercise of powers in relation to the execution of works given under this Act, an operator of any undertaking shall cause as little detriment and inconvenience and do as little damage as possible, and shall make full compensation to all local and other authorities and other persons who have sustained damage, for all damage sustained by them by reason or consequence of the exercise of such powers and , in default of agreement between the parties, the amount and application of such compensation shall be determined by Arbitration in accordance with the provisions of the Arbitration Act and for that purpose, the parties shall be deemed to be parties to a submission in which the reference is to two arbitrators.”

- Any rights assigned to the electric company are valid whether or not they are recorded in the owner’s title. “Where any rights over land have been acquired by the operator of an undertaking, whether by agreement or under this Part, then, notwithstanding the fact that those rights may not have been registered against the title to the land to which they relate in accordance with the written law relating to registration of title, those rights shall be binding on the owner of such land and on the successor in title or representative in interest.” (Part III, 14[7])
- Wayleaves are legally established through the same procedure. “The operator of an undertaking may, subject to the provisions of this section, place transmission lines, whether above, or below ground, into, out of, or across any land including State Land, other than land covered by buildings” (Part III,15[1]). “Before placing any line in position in accordance with subsection (1), the operator shall serve on the owner of the land and any person lawfully occupying it or, in the case of a street, on the local or other authority concerned, notice of the intention to erect a line, together with a description of the line proposed to be placed” (Part III 15[2]). Importantly, according to the Electricity Act(Part III,15[3]), “Any question as to an amount of compensation shall, with any necessary modifications, be decided in accordance with subsection (4) of section fourteen ,” which establishes the principle of compensation to any person who suffers loss or damage through exercise of the powers conferred by the Act. Finally, any inability to agree on the alignment between the company and the owner may be referred to the Minister for resolution. In that instance, the Minister shall fix the amount of compensation or annual rental or both, which shall be paid to such owner or such person by the operator” (Part III,15[4]). In such instances, the minister’s determination is based on the recommendation by ZESCO, which, in turn relies upon the estimate of the certified valuator to establish market or rental value.
- The Act also provides the operator (i.e. the Company) access to the transmission or distribution lines (Part III,16), and specifies that the company may trim trees and undergrowth as necessary to protect and maintain the lines (Part III,17). Further, no buildings are allowed under transmission lines without the permission of the operator company and any building built without permission may be forcibly demolished or modified (Part III, 18).

## 7.0 VALUATION METHODS

The following methods are used for determining compensation;

- ZESCO contracts, on the basis of least-cost bid, with a Real Estate valuator to assess the value of land, structures and other immovable assets that must be acquired.
- Land is valued at open market value, as determined by current market sales, taking into account various relevant factors such as soil type, irrigation and other infrastructure and accessibility.
- Structures and other improvements are valued at both depreciated replacement cost and full, undepreciated compensation value; as a matter of policy and practice, ZESCO pays the full, undepreciated compensation value for all assets taken. Full, undepreciated compensation value is established by analyzing current construction costs relative to design, materials employed, workmanship and final finish without any deductions for depreciation or repairs. Depreciated replacement cost is arrived at by analyzing current construction costs relative to design, materials employed, workmanship and the final finish of the subject properties. In line with the principles of 'equivalent reinstatement', a deduction is taken if the premises to be taken require repair. The deduction for repairs is made in accordance with the principle that the reinstated property should as far as possible be equal to the property being reinstated. The concept of 'replacement cost' is variously referred to as "market value," "depreciated replacement cost," "open market value," or "gross current replacement cost."
- A supplement "to enable the affected people to build slightly better houses than what they are currently living in" (ZESCO Compensation guidelines) is added to the estimated value of replacement value of each structure. The supplement, termed compensation value, is arrived at by analyzing current construction cost relative to design, materials employed, workmanship and final finish of slightly better houses, using average costs. For this purpose a slightly better house means:
  - a. Better Traditional House: A house built of burnt mud block walls, rendered externally and plastered internally; earth-compacted floors; grass thatched roofs on timber members; timber doors and windows in timber frames.
  - b. Better Conventional House: A house similar in design and size to that taken, built of concrete block walls, rendered externally and plastered internally; solid concrete floors with screed finish; cable roof of corrugated tin on timber members; soft board ceiling; skeleton core flush doors in steel frames; glazed windows in steel frames; electricity, water and sewerage disposal facilities.

- To this undepreciated replacement value of property, ZESCO adds an inconvenience premium to cover the disturbance due to the uncertainty of tenure created by notice. While every DP receives an inconvenience premium, the amount varies with the particular needs of the individual in order to provide needed assistance to vulnerable groups. ZESCO also pays the expenses of moving to new premises, which is separate from the compensation value and inconvenience premium but is paid with them as an overall sum. And the Company arranges with local authorities for alternative plots with appropriate public utilities and services.
- All other assets taken are also compensated. Fruit trees that must be removed from the wayleave are one common asset or improvement found on property. Each tree is separately valued by species (e.g., banana, pawpaw, guava, lemon, mango etc), age or maturity, and productive value. The compensation rates are established by the Ministry of Agriculture and updated by ZESCO for inflation and other factors as needed. Compensation is established in the following manner; for fruit trees, the value of the crop from each tree for the period for acquisition until the replacement tree attains the level of production of the tree removed. Standing crops are another common asset that may be taken, usually temporarily for construction of roads, burrow pits, and such like but possibly, on a one time basis, along with the line in which they stand. In these instances the valuation is as the value of the produce that would be harvested from the area taken. The value of the produce or crop in turn, is set as the market value midway between peak market prices and seasonal low market prices. For timber trees (natural or planted), the Forestry Department establishes the value. Other improvements (e.g., borehole, water tank) are valued at undepreciated replacement rates and may be replaced.
- Similarly, for businesses, ZESCO compensates for the undepreciated replacement value of all structures, plus a consideration for inconvenience. In addition, ZESCO adds supplementary payments for lost profits and, where relevant, lost employee wages. This is in addition to the moving costs and any administrative transfer fees and costs.

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*For example, current average construction costs provide adequate compensation to households who work on building their own structures. Elderly widows and handicapped however, may incur greater costs because they are unable to provide some of the needed labour and supervision in rebuilding their structures. The higher inconvenience premium to these individuals covers the higher costs they face in relocation.*

## **8.0 ORGANISATIONAL PROCEDURES FOR DELIVERY OF ENTITLEMENTS**

The following are the payment modalities proposed to be used under the policy;

- Once the company and the displaced person agree upon compensation and other assistance, ZESCO effects payment to the DPs directly through either a project unit or the ESU.
- ZESCO will make payment at a duly announced public assembly in the affected locality. The assembly will be attended by the relevant ZESCO officer, the local officer responsible for land acquisition, and the DPs, as well as a representative of any NGO selected by the DPs. At the assembly, the ZESCO representative verifies verbally the signed agreement for compensation and assistance with the DP and makes payment in cash to the DP. The DP then signs both a payment register sheet and a form, in duplicate, that details the name, identity number, and resident of the DP, the property transferred, and the compensation paid. The original of the payment receipt form is kept by ZESCO and filed at its headquarters office and the duplicate is given to the DP for his or her records.
- In the instance that a DP does not attend the assembly, ZESCO retains the requisite funds and effect payments at its headquarters office in Lusaka, or, is approved in advance, the responsible field office. Also, if a DP discovers after payment of compensation that a structure or asset was not included in the final payment, he or she can raise the grievance directly with ZESCO or its contracted intermediary agency for resolution.

## **9.0 IMPLEMENTATION PROCESS**

- ZESCO expressly links the resettlement implementation process to the civil works. No Project Unit will initiate construction until the relevant officer or the ESU has certified that all of the DPs have received the agreed upon compensation and other assistance and the land or access to it lies free of claim with ZESCO.
- If in the course of implementation, any additional resettlement or income restoration activities prove to be necessary, ZESCO will consult with the local communities on the alignment of the project and access roads or the location of the substation (or the area for any expansion). On the basis of these discussions and the consultations, ZESCO will define a compensation and resettlement plan that will be submitted to the financing agency, if any, for approval. In such an instance, ZESCO will insure that all agreed-upon resettlement activities are completed before initiating those improvements in the electrical supply system.
- Further, when necessary, ZESCO will contract an experienced consultant or local non-governmental organization to assist with the resettlement process. Such agencies can provide particular assistance in explaining valuation and other

procedures to DPs' and in sensitizing DPs to the appropriate use of compensation funds and any penalties they might incur legally from the abuse of these funds.

## 10.0 GRIEVANCE REDRESS MECHANISMS

The compensation grievances could be resolved as follows;

- ZESCO policy is to resolve all grievances as quickly and as amicably as possible, to the mutual consent of both parties. In the normal course of land acquisition, ZESCO negotiates with the DP to reach an agreement. If negotiations are difficult, ZESCO may ask the local officials to assist with the discussions.
- Because ZESCO undertakings usually entail limited displacement, it is not usually necessary to establish local grievance committees in order to reconcile DP expectations with ZESCO requirements. Should such committees prove necessary in a particular instance, ZESCO will establish such a committee, composed of two DPs (one male, one female), one representative of an NGO selected by the DPs, one local officer responsible for land planning or allocation and one land acquisition officer.
- If ZESCO cannot resite or realign the proposed infrastructure and the DP grievance cannot be resolved at the local level, the DP has recourse at any time to the judicial system for the resolution of the matter. The Land Acquisition Act allows for compensation of damage during the valuation process (Part II, Section 4 [2]). Subsequently, if agreement on compensation cannot be reached within six weeks of publication of the notification of in the Gazette, the aggrieved interested party may institute proceedings in Court (Part III, Section 11). Whenever the dispute is formally lodged with the courts, the court's decision (or the Supreme Court in case of appeal) is final (Part II, Section 14).
- Under the Electricity Act, any inability to agree on the alignment between the company and the owner may be referred to the Minister for resolution. In that instance, the Minister "shall fix the amount of compensation or of annual rental, or of both, which shall be paid to such owner or such person by the operator"(Part III, 15 [4]).

## 11.0. FUNDING

The funding mechanism for compensation could be;

- By Law (Electricity Act, Part III, PARA. 4), Parliament can provide to ZESCO the funds necessary for compensation of land and assets taken. The funds allocated by Parliament are deposited in a special account with the Ministry of Finance. ZESCO then accesses these funds through its legal department, or, less commonly, the ESU or the Project Unit, depending on the Unit responsible for paying compensation. This procedure is most commonly used for the government's rural electrification programme, and would be used for forcible acquisition under the Land Acquisition Act and the Electricity Act.
- More usually, ZESCO budgets all project costs from its own funds. This includes: land acquisition (if required); administrative and land transfer fees; compensation and all other assistance; and, contractor or consultant fees (if required). In other words, ZESCO ensures the financing of the vast majority of its undertakings from its own corporate funds before the initiative is approved.

## 12.0. CONSULTATION AND PARTICIPATION

Public consultation with affected people is planned in the following ways;

- ZESCO's commitment and indeed legal mandate, to consult meaningfully with displaced persons in order to reach mutual agreement on the value of assets taken and other assistance to be provided. The policy will be disseminated at the initial public meeting with the DPs, and copies will be available in both English and the language spoken natively by the DP group. The policy will also be deposited at public places, such as council halls and libraries, in areas where the company is carrying out resettlement operations. The Company will also deposit the policy in public places, such as council halls and libraries, in areas where ZESCO is carrying out resettlement operations.
- In addition to public disclosure of ZESCO's resettlement policy, the company, as good practice, meets individually with families prior to displacement to discuss the optimal siting of infrastructure and alignment of projects (transmission and or distribution lines). After the valuator assesses each property, ZESCO, or its contracted intermediary agent meets again with the displaced family to agree on compensation. At the same time, ZESCO consults with the local authorities to identify alternative house sites that are acceptable to the displaced persons.

- In the instance of difficult negotiations, ZESCO may ask the local officials to assist with the discussions. DPs who remain dissatisfied have the right to raise their issues directly with ZESCO and in the instance of continuing dissatisfaction, to take their case to court for resolution.
- As mentioned above, because ZESCO undertakings usually entail limited displacement, it is not usually necessary to establish logical grievance committees in order to reconcile DP expectations with ZESCO requirements. Should such committees prove necessary in a particular instance, ZESCO will establish such a committee composed to two DPs (one male, one female), one representative of Environmental Council of Zambia, one local officer responsible for land planning or allocation (local authority), and one land acquisition officer.

### **13.0. MONITORING**

Modalities for monitoring:

- ZESCO closely monitors the entire land acquisition and resettlement process. The ESU carries out the baseline survey of families, enterprises and assets to be affected. The unit records all negotiations with DPs, and is present when compensation payments are made. (A record of each payment signed by both the affected person and the ZESCO representative is kept at project headquarters.) ESU also tracks the acquisition of alternative land for displaced families, to assure the timely availability of plots and, especially in urban and peri-urban areas, houses.
- In the instance that land acquisition entails economic rehabilitation, ZESCO will, through its ESU, implement the requisite monitoring system to track income restoration. ZESCO may do this directly, through its ESU, or through contract with an organization or agency with the requisite experience.