FEDERAL REPUBLIC OF NIGERIA
NATIONAL FADAMA DEVELOPMENT PROJECT
(FADAMA – II)

RESETTLEMENT POLICY FRAMEWORK
(March 28, 2003)
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Glossary of Terms of some key terms

- **Cut-off Date** — refers to a day on and beyond which any person who occupies land required for project use, will not be eligible for compensation. The date is often the day when the assessment of persons and their property in the project area commences.

- **Environmental and Social Management Framework (ESMF)** — report is a safeguards instrument (document) which establishes a mechanism to determine and assess future potential environmental and social impacts of Local Development Plan subproject investments under the proposed FADAMA II, and then to set out mitigation, monitoring and institutional measures to be taken during design, implementation and operation of the subprojects to eliminate adverse environmental and social impacts, offset them, or reduce them to acceptable levels. This instrument has been prepared as a separate and stand alone document to be used in conjunction with the RPF.

- **Market rate** — is defined as the highest rate over the last three to five years.

- **Resettlement and Compensation Plan (RAP)**, is also known as a Resettlement Action Plan or Resettlement Plan — is a resettlement instrument (document) to be prepared when sub project activities are identified, that require land acquisition that 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. The RAP is prepared by the party impacting people and livelihoods in this manner and contains specific and legal binding requirements to be taken by that party to resettle and compensate the affected party before sub project activities causing this adverse impact are implemented.

- **Resettlement Policy Framework (RPF)**, is also a resettlement instrument that is prepared by the borrower (in this case by the Federal Government of Nigeria) when project activities that require land acquisition that 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, are not identified at the project preparation stage. The RPF is therefore prepared before the proposed project is appraised setting out the resettlement and compensation principles, organizational arrangements and design criteria to be applied to meet the needs of the people who may be affected by the sub project, when sub project activities are identified. The RAP is prepared consistent with the provisions of the RPF.
A. INTRODUCTION

1. After the bitter civil war of the late 1960's which was followed by decades of political and social instability, the Federal Republic of Nigeria (FRN), Africa's most populous country and currently the world's 6th largest oil exporter, well endowed with abundant quantities of geo-physical and human resources, is struggling to uplift itself out of a desperate socio-economic and political situation.

2. With the oil boom of the 1970's gone, the agriculture sector which was neglected during that time, today employs nearly half of the country's labor force and generates one third of its GDP. Notwithstanding, the sector is facing many challenging issues associated with development which have been exacerbated by acute rural poverty, low rural incomes, poor rural infrastructure and a general atmosphere of tension and violence between militants from religious, ethnic and local community groups. Added to this mix is the prevalence of rampant corruption and mismanagement, thereby undermining development efforts and making foreign direct investment into the sector even more elusive. This has directly led to a significant decline in economic performance of the rural sector, the state of which can generally be characterized as critical.

3. However, the Federal Republic of Nigeria is working to address these problems. In October 2001, the FRN in collaboration with its development partners, including the World Bank prepared a Rural Sector Strategy (RSS). The overall goal of the RSS is to bring about poverty reduction and enhanced food security through sustainable agriculture and rural development, inter alia. The RSS envisaged that agricultural growth and reduction in rural poverty would come directly from higher yields, higher value outputs, reduction in crop losses, reduced costs of farm inputs and indirectly via the forward and backward linkages in the rural economy that stimulate increased investment, employment and incomes in rural non-farm enterprises. It also envisages that successful implementation of the Strategy would require greater decentralization of responsibility for the delivery of advisory services, the application of community-based and more demand-driven approaches and provision of capacity-building support to communities, especially in financial management.

4. In line with this strategy, the FRN requested the World Bank for support of the Second National Fadama Development Project (Fadama II) whose main objectives are to sustainably increase the income of Fadama users in an environmentally and socially inclusive manner.

5. Fadamas (a Hausa word) are defined as aquifers in the low-lying flood plains found mainly in the North and parts of the Middle belt (specifically along the flood plains of the Niger, Sokoto-Rima, Benue and Yobe river systems). These inland valley bottoms of about 3 million ha of fertile soils with residual moistures in the dry season, offers attractive opportunities for the arable farmers to grow off-season high value crops. The fadamas also provide access to water and dry-season fodder, which is critical for the survival of animals.

6. Fadama resource users are defined as farmers, pastoralists, fishermen/fisherwomen, hunters and others who are directly dependent upon the natural
resources of the Fadamas for their livelihoods. Fadama resource users may also comprise of private operators who provide complementary infrastructure and services for increasing productivity, storage, diversification and market access for fadama resource users. Fadama II is preceded by the First National Fadama Development Project (Fadama I).

7. The proposed Fadama II is structured to achieve its objectives within five major investment components of the project, which are:

**Component 1: Building the Capacity of Fadama Users**

The capacity of Fadama User Organizations and other participating economic interest groups (EIGs) will be strengthened to enable them to undertake participatory planning, conflict management, implementation, operation, and maintenance of their own priority infrastructure sub-projects. Facilitators will be employed to guide fadama resource users through an inclusive, transparent and participatory planning process. The output of this planning process will be a Local Development Plan (LDP) that is agreed upon by all stakeholders who rely upon fadama resources for their livelihoods.

**Component 2: Demand-driven Infrastructure Investments**

The outputs of this components are to improve the productivity and incomes of fadama resource users through upgrading of public goods infrastructure in and around fadama areas. This component will finance the establishment and/or rehabilitation of infrastructure sub-projects that are prioritized by all fadama resource users and included in the LDP's evolved through the participatory process.

**Component 3: Demand-responsive Advisory Services**

The output of this component is that fadama resource users will have increased their productivity and diversified their sources of income in an environmentally sustainable manner. This component will finance (a) advisory and enterprise development services (know-how), (b) establishment of linkages between fadama resource users, input suppliers, and markets, that can lead to value adding market chains, (c) training, learning events and other forms of knowledge sharing and (d) studies to identify and test the feasibility of new market opportunities.

**Component 4: The Income Generation Support Pilot**

The objective of this pilot is to enhance the incomes and productivity of fadama users by enabling eligible fadama group members to acquire assets. It will economically empower targeted poor among the fadama users to improve their income and livelihood by assisting them to acquire assets which they would need for income-generating activities. This pilot, which is a matching grant (MG) mechanism is designed both to respond to the poverty objectives of the project and to lay the basis for eventual improved access to financial services. In order to improve productivity and income, fadama users would need essential tools and equipment, such as petrol-driven motor pumps, watering cans, tubewells, planting, harvesting and other post-harvest technologies.
Component 5: Project Management

This component will establish an effective and adequate management and monitoring of Fadama implementation performance at the federal, state and local government levels.

9. Specifically, under Component 2, sub-projects in Local Development Plans will be financed to rehabilitate and or provide new infrastructure. Examples of public infrastructure to be financed will include boreholes, water catchments, drainage system, irrigation system, agro-processing and market infrastructure (e.g. milk collection facilities), storage facilities, small rural roads, culverts, etc.

10. Under Component 2 therefore, land would have to be acquired to locate new public infrastructure. However, significant efforts would be made to select these sites to avoid or minimize impacts on people, land, property, especially on Fadama users access to natural and other economic resources, as far as possible.

11. Notwithstanding, land acquisition that may lead to either the physical displacement of people or their loss, denial or restriction of access to Fadama economic resources and therefore the involuntary resettlement of people seems inevitable in some cases. When this occurs, the World Bank Operational Policy, OP4.12 on Involuntary Resettlement and certain Federal and State laws of the FRN will be triggered.

12. The FRN is not required to prepare a Resettlement Plan at this stage since the land/sites have not yet been identified. However, the FRN is required to prepare a Resettlement Policy Framework (RPF) to be publicly disclosed in country and at the info shop at the Bank, before appraisal of this project. The RPF establishes the resettlement and compensation principles, organizational arrangements and design criteria to be applied to meet the needs of the people who may be affected by the project. The RPF is prepared to the standards of the FRN (and its respective states) own policy on resettlement and the policy of the World Bank, OP4.12.

13. When the land/sites are identified, resettlement/compensation plans will be subsequently prepared consistent with this policy framework and will be submitted to the Bank for approval before any land acquisition, resettlement, loss, denial of, and restriction to Fadama resources or any other impact on livelihood occurs.

14. This RPF covers the following sections;

B. Principles and objectives governing resettlement preparation and implementation.

C. A description of the process for preparing and approving resettlement plans.

D. Land acquisition and likely categories of impact.

E. Eligibility criteria for defining various categories of project affected persons.
F. A legal Framework reviewing the fit between the laws of Nigeria and regulations and Bank policy requirements and measures proposed to bridge any gaps between them.

G. Methods of valuing affected assets.

H. Organizational procedures for the delivery of entitlements, including, for projects involving private sector intermediaries, the responsibilities of the financial intermediary, the government, and the private developer.

I. A description of the implementation process, linking resettlement implementation to civil works.

J. A description of the grievance redress mechanisms.

K. A description of the arrangements for funding resettlement, including the preparation and review of cost estimates, the flow of funds, and contingency arrangements.

L. A description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring.

M. Arrangements for monitoring by the implementation agency and, if required, by independent monitors.

15. This RPF governs all activities funded under the FADAMA II project, and is to be used in conjunction with the Environmental and Social Management Framework (ESMF) prepared for this project.

B. PRINCIPLES AND OBJECTIVES GOVERNING RESETTLEMENT PREPARATION AND IMPLEMENTATION.

The impacts due to involuntary resettlement from development projects, if left unmitigated, often gives rise to severe economic, social and environmental risks resulting in production systems being dismantled, people facing impoverishment when their productive skills may be less applicable and the competition for resources greater; community institutions and social networks being weakened; kin groups being dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost. The World Bank Safeguard policy OP 4.12, in most cases, is not triggered because people are being affected by physical displacement. It is triggered because the project activity causes land acquisition, whereby a physical piece of land is needed and people may be affected because they are cultivating on that land, they may have buildings on the land, they may use the land for water and grazing of animals or they may otherwise access the land economically, spiritually or any other way which may not be possible during and after the project is implemented. Therefore, people are in most cases compensated for their loss (of land, property or access) either in kind or in cash of which the former is preferred.

Therefore, the objectives of this policy are the following;
(i) Involuntary resettlement and land acquisition should be avoided where feasible, or minimized, exploring all viable alternatives.

(ii) Where involuntary resettlement and land acquisition is unavoidable, resettlement and compensation activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to give the persons displaced by the project the opportunity to share in project benefits. Displaced and compensated persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

(iii) Displaced and compensated 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 levels prevailing prior to the beginning of project implementation, whichever is higher.

Affected people, according to the Bank Safeguard Policy OP 4.12, refers to people who are directly affected socially and economically by the bank assisted investment projects, caused by:

(a) the involuntary taking of land and other assets resulting in:
   a. relocation or loss of shelter
   b. loss of assets or access to assets
   c. loss of income sources or means of livelihood, whether or not the affected persons must move to another location;

or

(b) the involuntary restriction or access to legally designated parks and protected areas results in adverse impacts on the livelihood of the displaced persons.

The Bank Safeguard Policy OP 4.12 applies to all components under the project, whether or not they are directly funded in whole or in part by the Bank.

The policy applies to all displaced persons regardless of the total number affected, the severity of impact and whether or not they have legal title to the land. Particular attention should be paid to the needs of vulnerable groups among those displaced; especially those below the poverty line; the land less, the elderly, women and children, indigenous groups and ethnic minorities or other displaced persons who may not be protected through Nigeria State and/or Federal Land compensation legislation.

In particular for Fadama II, the policy also requires that the implementation of individual resettlement plans are a prerequisite for the implementation the subproject activities requiring land acquisition, to ensure that displacement or restriction to access does not occur before necessary measures for resettlement and compensation are in place. It is further required that these measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, the taking of land and related assets may take place only after compensation has been paid and where applicable, resettlement sites, new homes, related infrastructure, public services and moving allowances have been provided to displaced persons. Furthermore, where
relocation or loss of shelter occurs, the policy further requires that measures to assist the displaced persons are implemented in accordance with the resettlement plan of action.

In this project, the implementation of subprojects in Local Development Plans is expected to have overall positive social impacts, simply because income of the fadama users is expected to significantly increase, so are agricultural productivity, rural infrastructure, training and advisory services which will lead to an increase in the standard of living of the fadama users. Notwithstanding, there are considerable risks to the success of the project as a whole if the negative social impacts on some of the fadama users are left unmitigated. These negative social impacts include denial, restriction or loss of access to the economic resources in the fadama areas by some Fadama users. When this happens, people will be impacted and resettlement and compensation cannot be avoided and the World Bank Safeguard Policy OP 4.12 will be triggered even though they may not have to physically move to another location. This may also lead to considerable conflicts between Fadama users and in the context of the experiences and lessons learned from Fadama I, the government of the FRN will actively seek and engage the participation of all key stakeholders in the formulation of any and all LDP’s and Conflict Resolution Committees as a condition of funding of any sub project.

It is particularly important to neutralize to the extent possible any socio-economic pressures in the communities that are likely to be exacerbated by involuntary resettlement, by facilitating the participation of those impacted in the sub project activities. Therefore, offering impacted people the opportunity to continue to participate in the planning process that would lead to the preparation of Resettlement Plans is mandatory and Section L of this RPF deals with this requirement.

Offering impacted people the opportunity for employment during the construction or to providers of services such as supplying water or construction materials such as gravel, sand etc., will provide additional income generating opportunities to a significant number of impacted persons who may potentially have to be resettled. Therefore, this opportunity for local employment is being taken advantage of in this RPF, by including it for discussion in the consultative process with the affected communities. This RPF prefers to encourage potential civil works contractors and the Fadama Community Association’s (FCA’s) through the provision of incentives in their contracts to show preference for employing project affected persons and not through legal provision. One way of promoting this would be for the project to train potentially affected persons to acquire the skills needed by these contractors.

Furthermore, it is worthy to note that rush migration to selected land sites may occur by those wishing to take advantage of the rules of eligibility in Section B. of this RPF. Were this to happen it would bring to bear additional pressures on the whole planning process, compensation budgets and increase the tendency for conflict among users. This has major considerations therefore when establishing the cut-off dates.

A major object of this RPF is to ensure that displaced communities are meaningfully consulted, have participated in the planning process, are adequately compensated to the extent that at least their pre-displacement incomes have been restored and that the process has been a fair and transparent one.
C. DESCRIPTION OF THE PROCESS FOR PREPARING AND APPROVING RESETTLEMENT PLANS.

As stated earlier, the World Bank policy on Involuntary Resettlement OP 4.12 is triggered because the Fadama II project will finance productive investments that may require land acquisition leading to loss, denial or restriction of access to Fadama economic resources. Since the location of these sites were not known at the time of the preparation of the project, the preparation and disclosure of this RPF by the FRN is a conditionality for appraisal of this project. However, during implementation of this project, in a process defined here below, the selection of these sites would be made. When that happens, land would be acquired or access to economic resources of the Fadamas may be lost, denied or restricted and people may then be affected. At that stage, OP 4.12 calls for the preparation of individual Resettlement Plans that must be consistent with this RPF.

To address the impacts under this policy, resettlement plans must include measures to ensure that the displaced persons are:

(a) informed about their options and rights pertaining to resettlement.
(b) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives.
(c) And provided prompt and effective compensation at full replacement cost for losses of assets and access attributable to the project.
(d) enabled to restore and preferably improve their living standards compared to pre-project ones.

The first stage in the process of preparing the individual resettlement plans is the screening process for the land / areas that are causing resettlement.

The Land Selection Screening Process

This process would lead to the identification and approval of a number of subprojects and LDP’s that may potentially involve resettlement issues. In pursuant thereof, the respective Fadama Community Association (FCA) who will be assisted by facilitators, will be responsible for screening of their subprojects and LDP’s before submission to the Local Government Fadama Development Committee (LGFDC) for final approval. The LGFDC will also subject the subprojects and LDP’s submitted to it by the FCA to a final screening process to ensure compliance with this RPF.

The screening process would take the form of:

General sub project sub sector classification:  A - Food and Cash crops
                                             B - Livestock
                                             C - Fisheries
                                             D - Hunting
                                             E - Miscellaneous
1. Classifying the sub projects by activity into the following categories:
   
   i. Irrigation - small dams
   ii. Flood protection - small dams/dykes
   iii. Water Retention Ponds
   iv. Soil conservation Infrastructure
   v. Fisheries related infrastructure
   vi. Water Management/ Conservation Schemes - e.g. pastoral wells
   vii. Storage infrastructure
   viii. Others (maybe schools, health centers, training centers etc.)

2. Identifying and evaluating potential impacts for each proposed sub-project on the Bank Safeguard Policy OP 4.12 described in Section B above.

3. Triggering of the Bank Safeguard Policy OP 4.12 will be one criterion by which subprojects can be rejected.

4. Alternatively, triggering of the Bank Safeguard Policy OP 4.12 would require a further preliminary determination of whether the subproject should be proposed or not, based on an assessment of the intensity of impact and on the mitigation measures that would need to be developed and proposed. The FCA may then determine whether or not, to submit its subproject proposals to the LGFDC for approval even where extensive/cumbersome mitigation measures are deemed necessary in the subproject.

5. Determine the sub-project land needs. For sub projects requiring land, the FCA must obtain legal title to the land. This is a pre-condition for approval.

6. A socio-economic study and census is to be carried out for each sub project targeted area requiring land acquisition and/or resulting in loss, denial, restriction of access to users of fadama resources. Using the findings of the socio-economic studies and the census to identify affected people on the individual, household level and vulnerable groups (in the sub-project impact(s)) and to calculate household incomes. These studies are to be carried out by the FCA's assisted by their facilitators.

The purpose of the Socio-economic study is to collect baseline data within the chosen/targeted sites/areas thereby enabling the social assessment of potentially affected populations/communities. The socio-economic study would focus on the identification of stakeholders (demographic data), the participation process, identification of affected people (including owners and users of land) and impact on their property and their production systems, the institutional analysis and the system for monitoring and evaluation. Detailed calculation of individual and household economies and identification of all impacts will be undertaken as part of the socio-economic study and be the
determinant in the potential compensation process. Standard characteristics of the affected households, including a description of production systems, labor, and household organization, and baseline information on livelihoods (including production levels and incomes derived from both formal and informal economic activities) and standards of living and health status of the displaced population. Under this study a comprehensive base line census would be carried out to identify potentially affected people on the individual and household levels, vulnerable groups (women, children, the elderly, female headed households, affected internally displaced people, affected internally displaced households, etc.) and to discourage inflow of people ineligible for assistance.

The socio-economic study and baseline census will be prepared on behalf of the FCA by their facilitators and paid for by the FCA’s. On completion the socio-economic study and the baseline census the FCA’s will prepare a resettlement plan for each site/subproject.

Where the impacts on the entire displaced population are minor (i.e. if affected people are not physically displaced and less than 10% of their productive assets are lost) or fewer than 200 people are displaced, then the bank may approve the preparation of an Abbreviated Resettlement Plan (ARAP). The contents of the ARAP are to be:

(a) A census survey of displaced persons and valuation of assets.
(b) Description of compensation and other resettlement assistance to be provided.
(c) Consultations with displaced people about acceptable alternatives.
(d) Institutional responsibility for implementation and procedures for grievance redress.
(e) Arrangements for monitoring and implementation, and
(f) A timetable and budget.

For impacts that are not considered minor, the preparation of a Resettlement Plan (RAP) is required for each site. World bank OP 4.12 article 25 sets the requirements of the RAP to include:

(a) Baseline census and socio-economic survey information
(b) Specific compensation rates and standards
(c) Policy entitlements related to any additional impacts identified through the census or survey
(d) A description of the resettlement sites and programs for improvement or restoration of livelihoods and standards of living
(e) Implementation schedule for resettlement activities
(f) Detailed costs estimates.

The resettlement plans would then be forwarded for screening and approval to the LGFDC in compliance with the project institutional and administrative requirements. All approved subprojects that trigger OP4.12 and their resettlement plans would be subject to the final approval of the World Bank to ensure compliance with bank safeguards. Thus ensuring that before land is actually acquired or access to resources is lost, denied or restricted, that the individual resettlement plans are consistent with this RPF.
The above screening process should be used by the FCA's in their preparation of their subprojects/LDP's to enhance their likelihood for approval. Notwithstanding, at the level of the LGFDC's subprojects received would be reviewed applying very similar screening and evaluation mechanisms as those carried out by the FCA's in order to review and control the process already carried out.

Furthermore, the LGFDC's should as a guideline consider the cumulative factor and not approve sub projects/LDP's that have individual high impact intensity. For example, where land acquisition is required to such an extent that it would require more than 20% of a community's or individual's total land under use or when the mitigation measures are so cumbersome that their efficacy cannot be predetermine or they cost more than 15% of the subproject/LDP investment budget.

Before the decision to approve a subproject/LDP is taken, the LGFDC's will need to approve or disapprove the resettlement plan of the sub project in totality with the overall environmental and social screening process that has been applied for each sub project and to also approve or disapprove of the proposed mitigation measures, if any.

The subprojects are expected to be very small in scale. However, the cumulative effect of hundreds of subprojects is likely to be significant and a review must be made at a level higher than the community level on the possible cumulative impact of subprojects and if the respective individual mitigation measures per subproject are sufficient at the cumulative level, on the Fadamas as a whole. When the cumulative impact of subprojects are being considered at the community and trans-state levels on the Fadamas, additional mitigation measures may be deemed necessary. These would have to be integrated into the resettlement plans of future sub projects/LDP's and the monitoring and evaluation plan of the project.

This process of identifying land, consulting potentially impacted people, carrying out a socio-economic study may have to be iterative, simply because the mitigation measures (i.e. the compensation levels) may be too costly in terms of the amount paid as compensation and the overall number of people impacted. This would have to be determined by the LGFDC's. The FCA's may also wish to consider the selection of alternative sites to propose to the LGFDC's for approval. However, irrespective of whether the process of identifying potential land/sites is pursued iteratively or a number of sites are identified simultaneously, the process for the selection must be as described above.

Capacity will be built at the community levels (within the FCA's and LGFDC's) by providing technical assistance to allow communities themselves to screen their subprojects for environmental and social concerns. This training will also include the capacity to develop mitigation measures to meet environmental and social impacts and to prepare implementation of such measures. Local facilitators that are required to work with the FCA's will be targeted for training to enhance their skills and to produce more of them. This would build capacity at the community level which is crucial for success of this project.
D. LAND ACQUISITION AND LIKELY CATEGORIES OF IMPACT

At this stage it is not possible to estimate the likely number of people who may be affected since the subprojects/LDP’s have not yet been developed and are unknown.

However, the likely displaced persons can be categorized into these 3 groups, namely:

(i) Affected Individual – An individual who suffers loss of assets or investments, land and property and/or access to natural and/or economical resources as a result of the subproject activities and to whom compensation is due. For example, an affected individual is a person who farms a land, pastoralists whose routes have been altered, or a person who has built a structure on land that has been demarcated and is now required by the subproject.

(ii) Affected Household – a household is affected if one or more of its members is affected by project activities, either by loss of property, land, loss of access or otherwise affected in any way by project activities. This provides for:
   (a) any members in the households, men, women, children, dependent relatives and friends, tenants
   (b) vulnerable individuals who may be too old or ill to farm along with the others
   (c) members of households who cannot reside together because of cultural rules, but who depend on one another for their daily existence
   (d) members of households who may not eat together but provide housekeeping, or reproductive services critical to the family’s maintenance, and
   (e) other vulnerable people who cannot participate for physical or cultural reasons in production, consumption, or co-residence.

In the local culture, members of production, consumption, and co-resident groups form overlapping, often incongruent sets of people who may exchange domestic or farming services on a regular basis even though living separately.

Compensation will not be limited to people who live together in a co-resident group, since this might leave out people whose labor contributions are critical to the functioning of the “household”. For example, among polygamous settings, each wife has their own home.

(iii) Vulnerable Households – in Nigeria because of the atrocities committed during the internal unrests, vulnerable households may have different land needs from most households or needs unrelated to the amount of land available to them. They may already be undergoing some form of rehabilitation including training to acquire vocational skills in purpose built centers. This provides for:

   a) Internally Displaced Peoples – these are people who had to flee their homes during recent civil unrests/riots and are virtually refugees in their own country and have not returned. They may be dependent on the NGO community and others for support.

   b) Elderly – elderly people farm as long as they are able. Their economic viability does not depend on how much land they farm or how much they produce because, by producing even small amounts of food to “exchange” with others, they can subsist on cooked food
and generous return gifts of cereal from people such as their kith and
kin and neighbors. Losing land will not affect their economic viability.
They will have cash or in-kind replacements to exchange. For future
production they need access to only a small parcel of land. What
would damage their economic viability is resettlement that separates
them from the person or household on whom they depend for their
support. The definition of household by including dependents avoids
this.

c) Street Children – Despite the laws of the FRN and International
Labor Organization (ILO) prohibiting the exploitation of children, it is a
reality that street children are either in paid employment or are on the
streets in Nigeria. They tend to live in close proximity to large towns
and cities. If they are impacted by this project in a way that means
they have to be physically relocated, their compensation cannot be in
cash. They would have to be put in a Unicef program or registered
with one of the many children’s charities that are operating in Nigeria
today. Their compensation would take the form of paying for their
rehabilitation and training to acquire useful vocational skills.

d) Women headed households— may depend on husbands, sons,
brothers or others for support. In many cases too, women are the
main breadwinner in their household. They need relatively easy
access to health service facilities, as mothers and wives. Some
women live in a polygamous situation in Nigeria and this requires
special attention as women are central to the stability of the
household. For example, where the land being acquired is used by a
woman with no formal rights to it or a woman who is dependent on a
man other than her husband for her primary income. These women
should not be resettled in a way that separates them from their
households as the very survival of their households may depend on
them. Their compensation must take into account all these factors.

e) Income related poverty – that is the poorest households are also
vulnerable.

These household types are not mutually exclusive, so that a woman may be part of a
family that is internally displaced, and the street children may be also be internally
displaced individuals.

Special attention would be paid to these groups by identifying their needs from the socio-
economic and baseline study so that (i) they are individually consulted and given the
opportunity (i.e. not left out) to participate in the sub project activities, (ii) that their
resettlement and compensation is designed to improve their pre-project livelihood (iii)
special attention is paid to monitor them to ensure that their pre-project livelihood is
indeed improved upon (iv) they are given technical and financial assistance if they wish
to make use of the grievance mechanisms of the project and (v) decisions concerning
them are made in the shortest possible time.
E. ELIGIBILITY CRITERIA FOR DEFINING VARIOUS CATEGORIES OF PROJECT AFFECTED PERSONS

The Bank's OP4.12 suggests the following three criterion for eligibility:

a) Those who have formal rights to land (including customary land, traditional and religious rights, recognized under the Federal and/or State Laws of Nigeria)

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 the state and/or federal laws of Nigeria or become recognized through a process identified in the resettlement plan

c) Those who have no recognizable legal right or claim to the land they are occupying, using or getting their livelihood from.

Those covered under a) and b) above are to be provided compensation for the 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, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the LGFDC's in close consultation with the FCA's and in compliance with the Conflict Resolution Mechanisms established in the Fadama II project and acceptable to the Bank. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in a), b) or c) above are to be provided with compensation for loss of assets other than land.

Therefore, it is clear that all affected persons irrespective of their status or whether they have formal titles, legal rights or not, squatters or otherwise encroaching illegally on land, are eligible for some kind of assistance if they occupied the land before the entitlement cut-off date. Persons who encroach the area after the socio-economic study (census and valuation) are not eligible for compensation or any form of resettlement assistance. All persons included in a), b) or c) above are to be provided with compensation for loss of assets other than land.

Eligibility for Community Compensation

Communities (districts, chiefdoms, towns and villages) permanently losing land and/or access to assets and or resources under customary rights will be eligible for compensation. Example of community compensation could be for public toilets, market place, taxi parks, schools and health posts. The rationale for this is to ensure that the pre-project socio-economic status of communities where adverse impact is also restored.

Method to Determine the Cut - Off Dates

The entitlement cut-off date refers to the time when the assessment of persons and their property in the subproject area is carried out, i.e. the time when the subproject area has been identified and when the socio-economic study is taking place. Thereafter, no new cases of affected people will be considered. Unfinished structures would be identified
and secured, and unused materials will be piled at the site so that the cut-off survey can estimate investment which should be compensated for in lieu of expenses (including labor) incurred until the cut-off date.

The establishment of a cut-off date is required to prevent opportunistic invasions/rush into the chosen land thereby posing a major risk to the project. Therefore, establishment of a cut-off date is of critical importance.

This date is to be chosen in close consultation with the LGFDC’s, the FCA’s and must be in full compliance with the conflict resolution mechanisms agreed in the LDP’s and this date must be communicated effectively to the communities involved.

The local administrative heads such as chiefs, will play a crucial role in identifying users of land since most of them would have acquired their customary rights to use the land from their local customary heads.

F. A LEGAL FRAMEWORK REVIEWING THE FIT BETWEEN THE LAWS AND REGULATIONS OF THE FEDERAL REPUBLIC OF NIGERIA AND BANK POLICY REQUIREMENTS AND MEASURES PROPOSED TO BRIDGE ANY GAPS BETWEEN THEM

The Legal basis for land acquisition and resettlement in Nigeria was the Land Use Act 1978 and modified in 1990. The following are selected relevant sections:

Section 1. Subject to the provisions of this Act, all land comprised in the territory of each State in the Federation are hereby vested in the Governor of each state and such land shall be held in trust and administered for the use and common benefit of all Nigerians in accordance with the provisions of this Act.

Section 2. (a) all land in urban areas shall be under the control and management of the Governor of each State; and (d) all other land shall be under the control and management of local government within the area of jurisdiction in which the land is situated.

Section 5 (1) It shall be lawful for the Governor in respect of land, whether or not in an urban area (a) to grant statutory rights of occupancy to any person for all purposes.

Section 6 (1) It shall be lawful for a Local Government in respect of land not in an urban area, (a) to grant customary rights of occupancy to any person or organization for the use of land in the Local Government Area for agricultural, residential and other purposes; (b) to grant customary rights of occupancy to any person or organization for use of land for grazing purposes as may be customary in the Local Government Area concerned.

Section 6 (3) It shall be lawful for a Local Government to enter upon, use and occupy for public purposes any land within the area of its jurisdiction, and for the purpose, to revoke any customary right of occupancy on any such land.
Section 6 (5) The holder and the occupier according to their respective interests of any customary right of occupancy revoked under subsection (3) of this section shall be entitled to compensation, for the value at the date of revocation, of their unexhausted improvements.

Section 6 (6) Where land in respect of which a customary right of occupancy is revoked under this Act was used for agricultural purposes by the holder, the Local Government shall allocate to such holder alternative land for use for the same purpose.

Section 28 (1) It shall be lawful for the Government to revoke a right of occupancy for overriding public interest.

Section 29 (1) If a right of occupancy is revoked ..., the holder and the occupier shall be entitled to compensation for the value at the date of revocation of their unexhausted improvements.

Section 29 (3) If the holder or occupier entitled to compensation under this section is a community the Governor may direct that any compensation payable to it shall be paid (a) to the community or (b) to the chief or leader of the community to be disposed of by him for the benefit of the community in accordance with the applicable customary law (c) into some fund specified by the Governor for the purpose for being utilized or applied for the benefit of the community.

Section 29 (4) Compensation under subsection (1) of this section shall be, (a) the land, for the amount equal to the rent, if any, paid by the occupier during the year in which the right of occupancy was revoked, (b) buildings, installation or improvements thereon, for the amount of the replacement cost of the building, installation or improvement, that is to say, such cost as may be assessed on the basis of the prescribed method of assessment as determined by the appropriate officer less any depreciation, together with interests at the bank rate for delayed payment of compensation and in respect of any improvement in the nature of reclamation works, being such cost thereof as may be sustained by documentary evidence and proof to the satisfaction of the appropriate officer, (c) crops on land apart from any building, installation or improvement thereon, for an amount equal to the value as prescribed and determined by the appropriate officer.

Section 33 (1) Where a right of occupancy in respect of any developed land on which a residential building had been erected is revoked under this Act, the Governor or the Local Government, as the case may be, may in his or its discretion offer in lieu of compensation payable in accordance with the provisions of this Act, resettlement in any other place or area by way of a reasonable alternative accommodation (if appropriate in the circumstances).

Therefore, according to the Land Use Act, all land in Nigeria is vested in the Governor of each State, and shall be held in trust for the use and common benefit of all people. The administration of land area is divided into urban land which will be directly under the control and management of the Governor of each State; and non-urban land, which will be under the control and management of the Local Government. The Governor of each State will have the right to grant statutory rights of occupancy to any person for any purposes; and the Local Government will have the right to grant customary rights of occupancy to any person or organization for agricultural, residential and other purposes.
For agricultural purposes, no single customary right of occupancy shall exceed 500 hectares.

The Act gives the government the right to acquire land by revoking both statutory and customary rights of occupancy for the overriding public interest. In doing so, the Act specifies that the State or Local Government should pay compensation to the current holder or occupier with equal value.

Comparison between Land Law in the Federal Republic of Nigeria and Bank OP 4.12

Whereas the law relating to Land administration in Nigeria is wide and varied. Entitlements for payment of compensation are essentially based on right of ownership. The Bank OP is fundamentally different from this and states that affected persons are entitled to some form of compensation whether or not they have legal title if they occupy the land by a cut-off date.

Therefore, as this a Bank funded project and the principles of OP 4.12 are not negotiable, the Bank OP 4.12 must be adhered to. As a result, all land to be acquired by the government, states or FCA’s for this project would be so acquired subject to the Laws of Nigeria and the Bank OP 4.12. Where, there is conflict, the Bank OP 4.12 must take precedence if the Bank is to fund this project.

G. METHODS OF VALUING AFFECTED ASSETS.

Valuation methods for affected land and assets would depend on the type of asset. The three land asset types identified under Nigeria law in this policy framework are:

(i) State (urban and nor urban) owned Land
(ii) Privately owned Land
(iii) Assets held under Customary Law

State owned land would be allocated free by the Governor or Local Government (perhaps except for processing and registration fees), the subprojects would be expected to pay compensation to acquire land in this category in cases where the state-owned land is being used by farmers or for instance grazed upon, settled upon or otherwise being used. Privately owned property, would have to be acquired at the market value. The guiding principle is that whoever was using the land to be acquired would be provided other land of equal size and quality.

However, according to Nigeria law, assets held under customary rights are in the Local Government jurisdictions only and would have to be valued according to the following method and compensation paid for. The project would compensate for assets and investments, including labor, crops, buildings, and other improvements, according to the provisions of the resettlement plan. Compensation rates would be market rates as of the date and time that the replacement is to be provided. The market prices for cash crops would have to be determined. Compensation would not be made after the entitlement cut-off date in compliance with this policy. Under customary law land belongs to chiefdoms, towns and villages. The permanent loss of any such land will be covered by
community compensation which will be in-kind, only. However, because the bank policy on resettlement, OP4.12, makes no distinction between statute and customary rights, not only assets and investments will be compensated for, but also land. Thus, a customary landowner or land user on state-owned land, will be compensated for land, assets, investments, loss of access etc. at market rates at the time of the loss.

**Compensation Payments and Related Considerations.**

Individual and household compensation will be made in cash, in kind, and/or through assistance. The type of compensation will be an individual choice although every effort will be made to instill the importance and preference of accepting in kind compensation if the loss amounts to more that 20% of the total loss of subsistence assets.

<table>
<thead>
<tr>
<th>FORMS OF COMPENSATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Payments</td>
</tr>
<tr>
<td>Compensation will be calculated in Naira. Rates will be adjusted for inflation.</td>
</tr>
<tr>
<td>In-kind Compensation</td>
</tr>
<tr>
<td>Compensation may include items such as land, houses, other buildings, building materials, seedlings, agricultural inputs and financial credits for equipment.</td>
</tr>
<tr>
<td>Assistance</td>
</tr>
<tr>
<td>Assistance may include moving allowance, transportation and labor</td>
</tr>
</tbody>
</table>

Making compensation payments raises some issues regarding inflation, security and timing that must be considered. One purpose of providing in-kind compensation is to reduce inflationary pressures on the costs of goods and services. Local inflation may still occur, thus market prices will be monitored within the time period that compensation is being made to allow for adjustments in compensation values. The question of security, especially for people who will be receiving cash compensation payments needs to be addressed by the States. Local banks and micro finance institutions should work closely with the States and Local Governments at this level to encourage the use of their facilities which will positively impact the growth of the local economies. The time and place for in-kind compensation payments will be decided upon by each recipient in consultation with the FCA's and LGFDC's. Monetary payments should be paid at a time in relation to the seasonal calendar.

**Compensation for Land**

Compensation for land is aimed at providing a farmer whose land is acquired and used for project purposes with compensation for land labor and crop loss. For this reason, and for transparency, "Land" is defined as an area:

- In cultivation
- Being prepared for cultivation, or
- Cultivated during the last agricultural season

This definition recognizes that the biggest investment a farmer makes in producing a crop is his of her labor. 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 labor put
into the land each year by the farmer. As a result, compensation relating to land will cover the market price of labor invested as well as the market price of the crop lost.

Land measurement

For purposes of measuring land, the unit of measurement would be that which is used and understood by the affected farmers. Therefore, if a traditional unit of measurement exist, that unit should be used. If a traditional unit of measurement does not exist, then it is recommended that land should be measured in metres or any other internationally accepted unit of measurement. However, in such an event, the unit that is being used must be explained to the affected farmers and must somehow be related to easily recognizable land features that the communities are familiar with, such as using location of trees, stumps, etc. as immovable pegs. The most important concern of this exercise is to ensure that the affected person is able to verify using his/her own standards/units of measurement for him/herself, the size of land that is being lost. Ensuring that this occurs maintains transparency in the system and will thus avoid subsequent accusations of wrong measurements or miscalculation of areas.

Calculation of Land Compensation Rate

All "land" to be compensated using a single rate regardless of the crop grown. This rate incorporates the value of crops and the value of the labor invested in preparing a new land. Determining compensation using a single rate creates transparency because anyone can measure the area of land for which compensation is due and multiply that by a single rate known to all. This approach also allows assignment of values to previous year’s land (land in which a farmer has already invested labor) and land that have been planted but have not yet sprouted. Further, it avoids contention over crop density and quality of mixed cropping. The value of the labor invested in preparing agricultural land will be compensated at the average wage in the community for the same period of time. The rate used for land compensation is to be updated to reflect values at the time compensation is paid. The following example, which is based on 2002 data, derives a total value for a one hectare land from the value of the crops on the land and the value of labor invested in preparing a replacement land.

**EXAMPLE OF METHOD TO BE USED TO DETERMINE A MONETARY COMPENSATION RATE FOR LAND**
(Based on 2002 data. Naira payments will be revised to reflect crop values and labor rates in effect at the time of compensation)

<table>
<thead>
<tr>
<th>Item Compensated</th>
<th>Basis of Value</th>
<th>Naira/ha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Crops</td>
<td>Average of the highest 2002 official and market survey land prices per ha of staple food crops (millet, plantain, rice etc.), plus cash crops (e.g. Sorghum, maize, rice).</td>
<td></td>
</tr>
<tr>
<td>Labor Invested</td>
<td>Labor costs of preparing a replacement land.</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>Replacement value of crops plus labor.</td>
<td></td>
</tr>
</tbody>
</table>

* Note: This example assumes a one-hectare land.
Crop values will be 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.

- The value of stable crops to be taken as the highest market price (over 3 years) reached during the year, in recognition of these factors:
  - 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.
  - 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.
  - Averaging the highest price of stable foods yields a high per ha 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 labor cost for preparing replacement land is calculated on what it would cost a farmer to create a replacement land. This value is found by adding together the average costs of clearing, plowing, sowing, weeding twice, and harvesting the crop. Labor costs will be paid in Niarar, at the prevailing market rates.

The following table presents an example of a compensation schedule for a one-hectare land. The Niarar values are based on arbitrary labor rates, which will need to be validated at the time payments are made.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Month Paid</th>
<th>Rate Cost/day x no. of days</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear</td>
<td>March</td>
<td></td>
</tr>
<tr>
<td>Plough</td>
<td>May</td>
<td></td>
</tr>
<tr>
<td>Sow</td>
<td>May</td>
<td></td>
</tr>
<tr>
<td>Weed</td>
<td>May</td>
<td></td>
</tr>
<tr>
<td>Harvest</td>
<td>November</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All agricultural labor activities are included for two reasons. First, because of the need for transparency, all land labor will be compensated for at the same rate. Second, it is difficult to forecast when during the growing season a farmer might need to give up his/her land. Thus, the 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 the agriculturally critical date of March, when s/he will no longer have enough time to prepare another land without help. Assistance will be provided in the form of labor 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 /s/he can pay for sowing, weeding and harvesting.

Compensation for Buildings and Structures.

Compensation will be paid by replacing structures such as 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. The project will survey these prices for administrative purposes on an ongoing basis.

Compensation will be made for structures that are:

- Abandoned because of relocation or resettlement of an individual or household,
  Or
- Directly damaged by construction activities.

Replacement values will be based on:

- Drawings of individual’s house 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.),
- Prices of these items collected in different local markets,
- Costs for transportation and delivery of these items to acquired/replacement land or building site,
- Estimates of construction of new buildings including labor required.

<table>
<thead>
<tr>
<th>Item</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>House</td>
<td>Raw or Baked brick</td>
</tr>
<tr>
<td></td>
<td>Straw or tin roof</td>
</tr>
<tr>
<td></td>
<td>Varying sizes (small, medium large)</td>
</tr>
<tr>
<td>Kitchen</td>
<td>Open, closed</td>
</tr>
<tr>
<td>Stables/sheds/pens</td>
<td>Cattle, goat, camel, sheep, other</td>
</tr>
<tr>
<td>Coops</td>
<td>Chicken, duck, other</td>
</tr>
<tr>
<td>Fence</td>
<td>Straw/poles (per unit poles &amp; mat), raw and/or baked brick/cement blocks (per 1- m length)</td>
</tr>
<tr>
<td>Private Bathing</td>
<td></td>
</tr>
<tr>
<td>Latrine</td>
<td>Replacement latrines will be similar to those currently operational and financed by the bank or other donor agencies at health centers, schools.</td>
</tr>
<tr>
<td>Open well</td>
<td></td>
</tr>
<tr>
<td>Storage building</td>
<td></td>
</tr>
<tr>
<td>Sun Screen open huts/shades</td>
<td></td>
</tr>
</tbody>
</table>
Compensation for Sacred Sites

This policy does not permit the use of land that is defined to be cultural property by the Banks Safeguards OP 4.11. Therefore, the use of sacred sites, ritual sites, tombs and cemeteries are not permitted under this project.

Compensation for vegetable gardens and beehives

These are planted with vegetable and ingredients for daily use. Until a replacement garden starts to bear, the family displaced as a result of the project land needs will have to purchase these items in the market. The replacement costs therefore, will be calculated based on the average amount that an average town dweller spends on buying these items for one year per adult from the local market.

Beehives are placed in various locations in the bush by some individuals that specialize in honey gathering. If such hives would be disturbed by the project activities, or access to hives is denied, beekeepers can move them, and the bees will adapt to the new locations. Beekeepers would be compensated by the value of one season's production costs of honey for each hive that is moved and any reasonable costs associated with moving the hive.

Compensation for trees

Mango and Banana Trees

Mango and Banana trees are two examples of the set of primary fruit trees in the project targeted area and are estimated to account for a significant amount of all fruit bearing trees. They are primarily important as a source of:

- Subsistence food for families
- Petty market income in some areas, and
- Shade (in the case of mango trees).

For Banana trees, they have a relatively much shorter productive life, normally, than mango trees. Banana trees will not bear fruit more than once. Therefore, compensation for banana trees would be compensated at the full market rates for bananas harvested in that year and for another year. The second year payment is for the replacement cost of planting a new tree, looking after it and harvesting it which could all be done in one year. Therefore, the farmer should have restored his pre-project position by the end of the second year.

Given their significance to the local subsistence economy, which this project intends to positively impact, mango trees will be compensated on a combined replacement/market value. Mango trees used for commercial purposes will be compensated at market value based on historical production records. If households chose to resettle, they will be compensated for the labor invested in the trees they leave behind, because they will continue to own the trees left behind under customary rights. It is not uncommon for individuals to own trees in other villages in which they formally lived and, in some cases, to continue to harvest fruit from those trees for subsistence purposes and/or sale to traders. If a household chooses to transfer ownership of the trees, transfer costs will be paid in addition to labor costs. The compensation rate will be based on information
obtained from the socio-economic study. From this study, a compensation schedule for mango trees can be developed incorporating the following goals:

- Replace subsistence mango production yields as quickly as possible.
- Provide subsistence farmers with trees to extend the number of months of the year during which mangoes are produced and can be harvested as a supplemental source of food for their families during their "hungry season".
- Provide farmers with the opportunity to derive additional production income from trees bearing more valuable fruits at off-season periods.
- Provide cash payments to farmers to replace pre-project income derived from the sale of excess mango production until replacement trees produce the equivalent (or more) in projected cash income.

The compensation schedule is based on providing a combination of new grafted and local trees to farmers, as well as cash payments to offset lost yearly income. The schedule could assume the following (the figures in Naira (Xno.) to be determined in the socio-economic study):

| Local Mangoes | | |
|----------------|-----------------------------|
| Estimated Avg. Fruit Yield (kg) of Mature tree | 800 to 1,300 kg/year |
| Estimated Yield used | Ten sacks (1,000 kg)/tree/year |
| Market Price, | |
| * Height of harvest season (March/April) | Naira/kg |
| * End of season (late May) | Naira/kg |
| Price used as basis of this estimate | 80% height of season; 20% end of season |
| Years to Production | Six to seven |
| Years to Maximum Production | Twenty |
| Costs of Sapling | Naira, locally available. |

| Grafted Mangoes | | |
|-----------------|-----------------------------|
| Estimated Avg. Fruit Yield (kg) of Mature tree | 800 to 1,300 kg/year |
| Estimated Yield used | Almost entire yield due to market value |
| Market Price, (varies according to variety) | Naira/kg |
| * Height of harvest season (June/September) | Naira/kg |
| Price used as basis of this estimate | Price per fruit or sac (100 kg) as quoted by growers |
| Years to Production | Four to five |
| Years to Maximum Production | Eight |
| Costs of Sapling | Naira, not locally available. |

<table>
<thead>
<tr>
<th>Proposed Schedule for Mango Trees Cut Down</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type/Age of Tree</strong></td>
</tr>
<tr>
<td>Sapling Trees planted after sub project cut-off date in area will not be eligible for compensation</td>
</tr>
<tr>
<td>Sapling/Young Tree First minor production 12-50 fruits occurs about age 4-5</td>
</tr>
<tr>
<td>Mango Trees Fruit Producing</td>
</tr>
</tbody>
</table>
No compensation will be paid for minor pruning of trees. Compensation for removal of limbs will be prorated on the basis of the number of square metres of surface area removed. The total surface area of the tree will be calculated using the following formula: 
\[(\frac{1}{2} \text{ diameter of canopy})^2 \times 3.14\].

**Other domestic fruit and shade trees.**

These trees have recognized local market values, depending upon the species and age. Individual compensation for wild trees "owned" by individuals which are located in lands as defined in this policy will be paid. Note that wild, productive trees belong to the community when they occur in the true bush as opposed to a fallow land. These trees will be compensated for under the umbrella of the village or community compensation.

### INDIVIDUAL COMPENSATION

<table>
<thead>
<tr>
<th>Sub-Category</th>
<th>Unit</th>
<th>Compensation Value (X no. of NIARA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>foodstuffs &amp; others (e.g. cocoa)</td>
<td>To be determined</td>
<td></td>
</tr>
<tr>
<td>Rubber, wood, timber</td>
<td>To be determined</td>
<td></td>
</tr>
<tr>
<td>Domestic Fruit Trees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avocado</td>
<td>Non-productive productive</td>
<td></td>
</tr>
<tr>
<td>Plantain</td>
<td>Non-productive productive</td>
<td></td>
</tr>
<tr>
<td>Lemon</td>
<td>Non-productive productive</td>
<td></td>
</tr>
<tr>
<td>Pineapple</td>
<td>Non-productive productive</td>
<td></td>
</tr>
<tr>
<td>Lime</td>
<td>Non-productive productive</td>
<td></td>
</tr>
<tr>
<td>Orange</td>
<td>Non-productive productive</td>
<td></td>
</tr>
<tr>
<td>Grapefruit</td>
<td>Non-productive productive</td>
<td></td>
</tr>
<tr>
<td>Papaya</td>
<td>Non-productive productive</td>
<td></td>
</tr>
<tr>
<td>Shade Trees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Young</td>
<td></td>
<td></td>
</tr>
<tr>
<td>adult</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Owned Wild Productive Trees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Palm Kernel</td>
<td>Non-productive</td>
<td></td>
</tr>
<tr>
<td>Coconut</td>
<td>Non-productive</td>
<td></td>
</tr>
</tbody>
</table>
**Table: Productive Mango Trees**

<table>
<thead>
<tr>
<th>Productive</th>
<th>0-1 year</th>
<th>1-6 years</th>
<th>6+ years</th>
<th>Demonstrable loss</th>
<th>According to case</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mango Trees</td>
<td>2 saplings &amp; equipment</td>
<td>2 saplings &amp; equipment</td>
<td>2 saplings &amp; equipment</td>
<td>Catch</td>
<td>Kitchen Garden</td>
</tr>
</tbody>
</table>


Compensation (and resettlement) will be funded like any other activity eligible under the projects' administrative and financial management rules and manuals.

Funding would be processed and effected through the Project Finance Management Unit (PFMU).

The compensation process which will involve several steps would be in accordance with the individual subproject resettlement and compensation plans, significantly:

- **Public Participation** with the local communities would initiate the compensation process as part of an ongoing process that would have started at the planning stages when the LDP's are being developed and at the land selection/screening stage. This would ensure that no affected individual/household is simply “notified” one day that they are affected in this way. Instead, this process seeks their involvement and wishes to inform communities in a participatory approach with the project, from the beginning as outlined in item k. of this report.

- **Notification** of land resource holders – the respective local/village heads (chiefs) having been involved in identifying the land it requires will notify the village and community inhabitants who will help to identify and locate the land users. These local community leaders will also be charged with the responsibility to notify their community members about the established cut-off date and its significance. The user(s) will be informed through both a formal notification in writing and, for as many people as are illiterate, by verbal notification delivered in the presence of the village chief or his representative. In addition, the village chiefs, religious leaders, other elders and individuals who control pastoral routes, fishing areas, wild trees, or beehives, hunting areas will accompany the survey teams to identify sensitive areas.

- **Documentation of Holdings and Assets** – village and project officials to arrange meetings with affected individuals and/or households to discuss the compensation process. For each individual or household affected, the project officials completes a compensation dossier containing necessary personal information on, the affected party and those that s/he claims as household members, total land holdings, inventory of assets affected, and information for monitoring their future situation. This information is confirmed and witnessed by
village officials, Dossiers will be kept current and will include documentation of lands surrendered. This is necessary because it is one way in which an individual can be monitored over time. All claims and assets will be documented in writing.

- **Agreement on Compensation and Preparation of Contracts** – All types of compensation are clearly explained to the individual or household. The FCA's draws up a contract listing all property and land being surrendered, and the types of compensation (cash and/or in-kind) selected. A person selecting in-kind compensation has an order form which is signed and witnessed. The compensation contract is read aloud in the presence of the affected party and the Chief, village officials and other village leaders prior to signing.

- **Compensation Payments** – All handing over of property such as land and buildings and compensation payments will be made in the presence of the affected party and the village officials.

**Community Compensation Payments**

Community compensation will be in-kind only for a community as a whole in the form of reconstruction of the facility to at least the same standard or equivalent better standard to that being built by other Bank funded projects or other donors in the area to serve the same function. Examples of community compensation include;

- School Building (public or religious)
- Public Toilets
- Well or Pump
- Market Place
- Road
- Storage warehouse

Community compensation may in itself require land take and people may be affected, thus a change of impacts which will be compensated for.

**I. A DESCRIPTION OF THE IMPLEMENTATION PROCESS, LINKING RESETTLEMENT IMPLEMENTATION TO CIVIL WORKS.**

Before any LDP/subproject activity is implemented, people who are being affected by such activity, will need to be compensated in accordance with the resettlement policy framework. For subprojects involving land acquisition or loss, denial or restriction to access, it is further required that these measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, the taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to displaced persons. For LDP/subproject activity requiring relocation or loss of shelter, the policy further requires that measures to assist the displaced persons are implemented in accordance with the individual resettlement plan of action.

The measures to ensure compliance with this policy directive would be included in the resettlement plans that would be prepared for each land involving resettlement or
compensation. When the FCA's present their resettlement plans to the LGFDC's for approval, part of the screening process that the LGFDC's would use to approve recommended land would be to confirm that the resettlement plans contain acceptable measures that link resettlement activity to civil works in compliance with this policy. The timing mechanism of these measures would ensure that no individual or affected household would be displaced due to civil works activity before compensation is paid and resettlement sites with adequate facilities are prepared and provided for to the individual or household affected. Once the resettlement plan is approved by the local and national authorities, the resettlement plan should be sent to the World Bank for final review and approval.

J. A DESCRIPTION OF GRIEVANCE REDRESS MECHANISMS.

There have been some conflicts among various Fadama Resource Users in the Fadama I project. An important lesson the Government learn was about the role crop encroachment played in impeding passage on trek routes and on Fadama resources of pastoralists. This led to sporadic outbreaks of conflict partly because the project failed to take into account the interests and concerns of the other resource users of Fadama space—particularly the pastoralists. Because of this design flaw, some pastoralists suffered economic losses through fadama production on land hitherto utilized as stock routs, or grazing reserves or water points. This conflict was particularly severe in Bauchi, Gombe, Jigawa and Imo states, where the confrontations led to personal injury and destruction of property.

The Government believes that another very important lesson learned from this experience is that one of the benefits which participation brings, is allowing everyone to see clearly what different stakeholders, in this case all the Fadama resource users, are and are not willing to commit themselves to. The Government has also learned from this experience that the mere perception of favoring one group of users over another group or groups of users is a potential source for conflicts. The participatory process allows all stakeholders to decide for themselves what is in their best interests, thus going a long way in ensuring that the project is one that the people living in and deriving their livelihood from resources in the Fadamas are willing to maintain, support and accept. The early realization of this is absolutely vital to eliminate sources of potential conflicts or minimize them as much as possible. Therefore, there remains an inextricable link between participation and project success. To avoid conflicts, different stakeholders need to be brought into the decision making process as early as possible.

Therefore, the resettlement policy framework seeks to complement the Conflict Resolution Mechanisms agreed to in the Local Development Plans. Notwithstanding, specifically at the time that the individual resettlement plans are approved and individual compensation contracts are signed, affected individuals would have been informed of the process for expressing dissatisfaction and to seek redress. The grievance procedure will be simple, administered as far as possible at the local and State levels to facilitate access, flexible and open to various proofs taking into cognizance the fact most people are illiterate requiring a speedy, just and fair resolution of their grievances. The FCA's being a party to the contract would not be the best office to receive, handle and rule on disputes. Therefore, taking these concerns into account, all grievances concerning non-fulfillment of contracts, levels of compensation, or seizure of assets without compensation should be addressed to the existing local courts system of administration of justice. The court hierarchy would in ascending order therefore be land dispute
tribunals/chiefs, followed by magistrate courts and then finally the High Courts. The High Courts of the States is being designated as the highest appellate court to settle grievances.

In the local cultures it takes people time to decide that they are aggrieved and want to complain. Therefore, the grievance procedures will give people up to the end of the next full agricultural season after surrendering their assets to set forth their case.

All attempts would be made to settle grievances. Those seeking redress and wishing to state grievances would do so by notifying their village chief and the administrative head of their respective local government. These officials will consult with the FCA's, the LGFDC's and the State Fadama Development Unit's (SFDU's) Village elders and other records to determine a claims validity. If valid, the village chief will notify the complainant and s/he will be settled. If the complainants claim is rejected, then the matter will be brought before the local courts for settlement. The decision of the high courts would be final and all such decisions must be reached within a full growing season after the complaint is lodged. If a complaint pattern emerges, the SFDU and LGFDC with village leaders will discuss possible remediation in close consultation with the FCA's. The local leaders will be required to give advice concerning the need for revisions to procedures. Once they agree on necessary and appropriate changes, then a written description of the changed process will be made. The SFDU, LGFDC and the FCA with the chief and village leaders will be responsible for communicating any changes to all the Fadama resource users.


The estimate of the overall cost of resettlement and compensation would be determined during the socio-economic study. The FCA's would have to finance the resettlement compensation depending on who is impacting livelihoods. At this stage, it is not possible to estimate the likely number of people who may be affected since the LDP's have not yet been developed and sub-projects have not yet been identified. When these locations are known, and after the conclusion of the site specific socio-economic study, information on specific impacts, individual and household incomes and numbers of affected people and other demographic data would be available, thus facilitating the preparation of a detailed and accurate budget for resettlement and compensation. The facilitators will assist the FCA's in preparing the budget and financed through the project's administrative and financial management rules and manuals like any other activity eligible for payment under the project. This budget will be subject to the approval of the World Bank.

At this stage however, all that can be reasonably and meaningfully prepared is an indicative budget, highlighting key features that the budget must contain, inter alia, as follows:

<table>
<thead>
<tr>
<th>#</th>
<th>Item</th>
<th>Costs (in Naira)</th>
<th>Assumptions</th>
</tr>
</thead>
</table>

### Compensation for loss of Land
- For land acquisition purposes, based on cost realized in projects involving similar issues in Nigeria.

### Compensation for loss of Crops
- Includes costs of labor invested and average of highest price of staple food crops as per methods described in Section G of this RPF.

### Compensation for loss of access to pastoralists
- Those affected would be provided with shared access, or alternate routes (decision agreed through consultation and participation of all).

### Compensation for loss of access to fishing resources
- Data provided from revised socio-economic study will determine market values of catch, fish products etc. that is produced.

### Compensation for Buildings and Structures
- This compensation would be in-kind. These new buildings would be built and then given to those affected. Cost based on basic housing needs for a family of ten, including house with four bedrooms, ventilated pit latrines, outside kitchen and storage.

### Compensation for Trees
- Based on methods described on page 27 of this RPF for compensation for trees.

### Cost of Relocation Assistance/Expenses
- This cost is to facilitate transportation, etc.

### Cost of Restoration of Individual Income
- Assumed to be higher than the GDP/capita.

### Cost of Restoration of Household Income
- For household of ten.

### Cost of Training Farmers, pastoralists and other fadama users
- This is a mitigation measure which seeks to involve those affected in the project activities. This figure represents a costs of around Niarapherson

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**L. A DESCRIPTION OF MECHANISMS FOR CONSULTATIONS WITH, AND PARTICIPATION OF, DISPLACED PERSONS IN PLANNING, IMPLEMENTATION, AND MONITORING.**

Public consultation and participation are essential because they afford potential displaced persons the opportunity to contribute to both the design and implementation of the project activities and reduce possibility for conflicts between fadama users. The socio-economic situation prevailing in Nigeria as discussed earlier, makes public consultation with the communities, indispensable. Furthermore, it is the Fadama resource users who are to claim ownership of this project for it to be successful and their wealth of knowledge of local conditions are invaluable assets to the project. In recognition of this, particular attention would be paid to public consultation with potentially affected individuals/households when resettlement and compensation concerns are involved.

Public consultation will take place at the inception of the planning stages when the local development plans are being prepared. The participation strategy would evolve around the provision of a full opportunity for involvement. This process would not be an isolated one because of the very nature of the project, which through its implementation and design ensures continuous public participation and involvement at the local level. Therefore, as a matter of strategy, public consultation would be an on-going activity.
taking place throughout the entire project cycle. For example, public consultation would also occur during the preparation of the; (i) LDP’s (ii) the socio-economic study, (iii) the resettlement and compensation plan and (iv) the environmental impact assessment and (v) during the drafting and reading of the compensation contract.

Public participation and consultation would take place through meetings, radio programs, request for written proposals/comments, filling in of questionnaires/forms, public readings and explanations of project ideas and requirements, making public documents available at the National, State, local and village levels at suitable locations like the official residences/offices of local chiefs/elders. These measures would take into account the low literacy levels prevalent in these communities by allowing enough time for responses and feedback.

Notwithstanding, the best guarantor for public interest is the chiefs and other local leaders who are responsible members of their local communities and can inadvertently be part of the potentially displaced individuals/households either in part or in whole.

Monitoring of this process would be through the village chief as part of the individual resettlement and compensation plans and overall the monitoring and evaluation mechanism of the entire project.

This requirement is line with the Bank policy on disclosure.

M. ARRANGEMENTS FOR MONITORING BY THE IMPLEMENTATION AGENCY AND, IF REQUIRED, BY INDEPENDENT MONITORS.

The arrangements for monitoring would fit the overall monitoring plan of the entire FADAMA II project which would be through the NFDO/PCU.

The objective will be to make a final evaluation in order to determine if the people who were affected by the project have been affected in such a way that they are now living a higher standard than before, living at the same standard as before, or they are actually at a lower standard of living than before. A number of indicators would be used in order to determine the status of affected people (land being used compared to before, standard of house compared to before, level of participation in project activities compared to before, how many kids in school compared to before, health standards, etc). Therefore, the resettlement and compensation plans will set two major socio-economic goals by which to evaluate its success:

- Affected individuals, households, and communities are able to maintain their pre-project standard of living, and even improve on it; and

- The local communities/fadama resource users remain supportive of the project.

- The absence or prevalence of conflicts

In order to assess whether these goals are met, the resettlement and compensation plans will indicate parameters to be monitored, institute monitoring milestones and provide resources necessary to carry out the monitoring activities.
The following parameters and verifiable indicators will be used to measure the resettlement and compensation plans performance:

- Questionnaire data will be entered into a database for comparative analysis at all levels of Local Governments,
- Each individual will have a compensation signed dossier recording his or her initial situation, all subsequent project use of assets/improvements, and compensation agreed upon and received.
- The Local Governments will maintain a complete database on every individual impacted by the sub-project land use requirements including relocation/resettlement and compensation, land impacts or damages.
- Percentage of individuals selecting cash or a combination of cash and in-kind compensation,
- Proposed use of payments
- The number of contention cases out of the total cases
- The number of grievances and time and quality of resolution
- Ability of individuals and families to re-establish their pre-displacement activities, land and crops or other alternative incomes
- Pastoral and Agricultural productivity of new lands
- Number of impacted locals employed by the civil works contractors
- Seasonal or inter annual fluctuation on key foodstuffs
- General relations between the project and the local communities

The following indicators will be used to monitor and evaluate the implementation of resettlement and compensation plans:

<table>
<thead>
<tr>
<th>VERIFIABLE INDICATORS</th>
<th>Monitoring</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding compensation or resettlement contracts not completed before next agricultural season.</td>
<td>Outstanding individual compensation or resettlement contracts.</td>
<td></td>
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<tr>
<td>Communities unable to set village-level compensation after two years.</td>
<td>Outstanding village compensation contracts.</td>
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<tr>
<td>Grievances recognized as legitimate out of all complaints lodged.</td>
<td>All legitimate grievances rectified</td>
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<tr>
<td>Pre-project production and income (year before land used) versus present production and income of resettlers, off-farm-income trainees, and users of improved mining or agricultural techniques.</td>
<td>Affected individuals and/or households compensated or resettled in first year who have maintained their previous standard of living at final evaluation.</td>
<td></td>
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<tr>
<td>Pre-project production versus present production (crop for crop, land for land).</td>
<td>Equal or improved production per household.</td>
<td></td>
</tr>
<tr>
<td>Pre-project income of vulnerable individuals identified versus present income of vulnerable groups</td>
<td>Higher post-project income of vulnerable individuals.</td>
<td></td>
</tr>
</tbody>
</table>
Financial records will be maintained by the Local Governments and the PCU to permit calculation of the final cost of resettlement and compensation per individual or household. Each individual receiving compensation will have a dossier containing:

- Individual biological information,
- Number of people s/he claims as household dependents
- Amount of land available to the individual or household when the dossier is opened.

Additional information will be acquired for individuals eligible for resettlement/compensation:

- Level of income and of production
- Inventory of material assets and improvements in land, and
- Debts.

Each time land is used/acquired by a sub-project, the dossier will be updated to determine if the individual or household is being affected to the point of economic non-viability and eligibility for compensation/resettlement or its alternatives. These dossiers will provide the foundation for monitoring and evaluation, as well as documentation of compensation agreed to, received, and signed for.

It is normal that some compensation procedures and rates may require revision at some time during the project cycle. The Local Governments and PCU will implement changes through the Change Management Process in the Monitoring and Evaluation manuals of the project, which will require feedback from:

- Indicators monitored by the local governments to determine whether goals are being met, and
- A grievance procedure for the local community to express dissatisfaction about implementation of compensation and resettlement.

This framework is suggesting that the office of the State National Environmental Authorities in Nigeria is structured into the whole M&E component of the project. This would take the form of giving them the mandate to carry out independent monitoring of the implementation of the resettlement and compensation plans at periodic intervals of quarterly or half yearly (as circumstances dictate) during the project life. Their report would then be sent to the Local Governments and PCU of the MoLG and become part of the official documents of the project.

The appointment of an Independent (independent of Federal, State or Local Governments or agencies) Monitor, for example a local NGO, is required to monitor socio-economic baselines and to determine whether all project affected people (with special attention on vulnerable individuals and groups) obtained their due assistance and compensation. This independent monitor would be carry out this requirement yearly.