

**Title:** Resettlement implementation -Practical lessons learned from Lesotho

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### ***Abstract***

The \$362.6 million Lesotho Compact financed by the United States Government Millennium Challenge Corporation (MCC) has required Millennium Challenge Account - Lesotho (MCA-L), responsible for the implementation of investments, to comply with the World Bank Operational Procedures OP4.12 for Involuntary Resettlement (2008), which requires extensive consultations with all stakeholders especially Project Affected Persons (PAPs) under health sector, water sector and private sector development (PSD) projects. A total of 5 projects had resettlement issues and all PAPs, especially vulnerable groups such as married women were meaningfully engaged under these projects. Methods such as public gatherings and interviews were used to engage with the PAPs by the projects. This paper used desktop review to determine projects' level of compliance with OP4.12. All 5 projects were sampled for the study. For purposes of analysis, 5 themes were used: RAP preparation process, planning, implementation, livelihoods restoration and RAP implementation report. Generally, compliance on resettlement issues was satisfactory for all the projects. Few recommendations are made to improve performance during resettlement process.

Involuntary resettlement could not be fully avoided under all MCA-L infrastructure projects. Impoverishment is regarded as one of the risks in involuntary resettlement. As a result, the project had to come up with risk prevention and social safeguards. For instance, projects took steps to increase equity in bearing the burden of loss of land and in the distribution of benefits. Specifically, projects considered alternative routes to minimize the magnitude of resettlement, communities were targeted and actively engaged especially married couples during RAP development. Joint decision making was encouraged, for example, co-signing, joint bank accounts and joint land titling. However, most PAPs opted for cash compensation which some PAPs spend in ways which compromised their standard of living. Furthermore, projects such as Metolong Authority (MA) incurred extra costs of opening bank accounts and providing PAPs with identity documents. All PAPs were supported to restore their livelihood through provision of financial training and counseling. 2 RAP implementation reports were compiled for health project. The rest of the projects are yet to compile them.

### **Introduction**

Involuntary resettlement happens when people are physically or economically displaced by the project. Involuntary resettlement is usually necessitated by development projects such as construction or provision of footpaths and vehicular access to house plots in the interior of a block, as is the case under MCA-L projects. MCA-L projects include health and water sectors which involve the design and construction and renovations of outpatient departments (OPDs), health clinics and construction of water systems and VIP latrines in all 10 districts of Lesotho. There are also Private Sector Development projects which are designed to improve access to credit, reduce transaction costs and increase the participation of women in the economy (Lesotho Compact, 2007).

During the resettlement process, projects find it hard to comply with both international and national requirements. The purpose of this paper is to review the resettlement process under 5 MCA-L projects to assess if projects were consistent with both national and international guidelines and laws. These include the World Bank Operational Procedures OP4.12 for Involuntary Resettlement, MCC Guidance on the implementation of resettlement activities and national laws which apply to any project that may result in

the loss of assets, the impairment of livelihood, or the physical relocation of an individual household, or community (International Finance Corporation). A total of 5 projects under water, health and PSD sectors had resettlement issues. These are Land Reform, Metolong dam and water supply program, (Water and Sewage Company (WASCO), Department of Rural Water Supply (DRWS) and health.

### Data collection

A desktop review of all relevant documents was done. This method of data collection was preferred because baseline data was already available for the projects. The following table provides the summary of the 5 projects, localities and number of PAPs by gender.

Project	Areas	Number of PAPs		
		Total	Males	Females
<b>Land Regularization</b>	Khubetsoana, Ha Lesia and Motimposo.	39	17	22
<b>Metolong Dam and Water Supply Program</b>	Metolong	74	47	27
<b>WASCO</b>	5 packages –Maseru, Mazonod, Semonkong, Qacha's Nek, Quthing, Mohale's Hoek, Mafeteng, Mokhotlong, Butha Buthe, Leribe and Mapoteng.	477	-	-
<b>DRWS</b>	Phase A	417	-	-
	Phase b	191	122	69
<b>HEALTH</b>	6 health centers	8	1	7
		1206	187	125

A total of 1206 people were affected by the projects. There were 187 male and 125 female PAPs. However, projects such as WASCO and DRWS phase A did not disaggregate PAPs by gender. The majority of PAPs were affected temporarily and there were fewer permanent land losses for construction of health facilities and provision of footpaths and vehicular access to individual house plots.

### Discussion

#### *RAP preparation process*

All 5 projects took a number of steps to avoid or minimize the impact of resettlement. For instance, during RAP preparation process, some changes were made to the original construction designs in order to avoid graves, toilets and buildings. For instance, under WASCO project, re-alignment was done in cases where impacts extended beyond the 6-meter (standard) construction ROW (Right Of Way). These reduced a number of households who are affected by the projects.

#### *Planning*

As part of resettlement planning communities around the projects were informed about the likely impacts. They were reached through public gatherings. Once projected affected households were identified, meetings were held with them in their homes and at times which were convenient to them (MCC Gender Policy, 2006). In the case of child headed households, consultations were held with their guardians. Couples married in community of property were consulted together so that they can reach a joint decision (Legal Capacity of Married Persons Act, 2006). The information provided included different forms of compensation: cash and land for land compensation, to enable them to make informed decisions.

### *Implementation*

Once PAPs had decided to give their land to the projects, agreement forms were designed and signed by all PAPs under these projects. Joint signing was done by spouses married in community of property unlike previously whereby only male household heads' signatures were regarded as representing the household, to the disadvantage of married women who were regarded as minors.

<b>Project</b>	<b>PAPs</b>	<b>Type of compensation</b>
<b>Land Regularization</b>	39	Cash
<b>Metolong Authority</b>	74	Cash and Land for land
<b>WASCO</b>	477	Cash
<b>DRWS</b>	417	None
	191	None
<b>HEALTH</b>	8	Cash and Land for land

The majority of PAPs opted for cash compensation than land for land under the projects. Meetings were held to identify the preferred mode of payment: cheque or electronic bank transfer. All the projects paid compensation by cheque except Metolong Authority and health projects, whereby it was deposited into PAPs accounts. Under MA project, a high percentage (90%) of PAPs did not have bank accounts and had to be assisted by the project to open them. Spouses married in community of property were encouraged to open joint bank accounts. Some spouses opted for separate cash compensation to avoid the risk of one spouse spending it without consulting the other partner. The biggest lesson to ensure compliance with OP4.12 also stemmed from looking after the needs of PAPs. For instance, under health project, an elderly woman was escorted to a bank (200 miles away) where her cash compensation had been deposited and assisted to understand the "electronic" transfer of funds by MCA-L. Cash compensation was paid before construction for all 5 projects.

### *Livelihoods restoration*

In order to restore PAPs' standard of living to pre-project levels, they were provided with financial management training before they received cash compensation under other projects except for WASCO project, which has not paid compensation yet. The projects collaborated with Basotho Enterprises Development Corporation (BEDCO) and Lesotho Post Bank to provide PAPs with ideas on starting small businesses and investment options. One-on-one sessions were also held with households to provide financial counseling under Metolong project. Some PAPs also benefited from employment opportunities under these projects. Furthermore, Land Reform project assisted PAPs to receive land titles and joint titling in the case of spouses married in community of property (Land Act, 2010). The issue of joint titling is an achievement considering that in the past, only a male household head's name was reflected on the land title.

### *RAP implementation report*

RAP implementation reports were submitted for health project. The reports are still outstanding, under land regularization and MA pending reinstatement of PAPs' fences and final payment of compensation.

Post construction clearance forms were signed by 33 PAPs under DRWS phase A projects and all PAPs were satisfied.

### **Challenges**

In the past married women did enjoy land and property rights because of their minority status. This changed with the enactment of Legal Capacity of Married Persons Act of 2006. Currently women and men enjoy equal land and property rights. Nevertheless, there are still gender disparities in society and within families. Therefore, resettlement issues had to be handled with care under MCA-L projects since gender differences worsen at the time of economic displacement.

All PAPs were provided with information on different forms of compensation, but the majority (90%) opted for cash compensation. This proved problematic because some used up all their money within a short period of time and become impoverished. Furthermore, only one spouse's name was reflected on the cheque. When disbursing payment, projects such as MA learned that PAPs did not have identification documents and had to be assisted to apply for passports and the project incurred these extra costs.

### **Conclusion**

Generally, the projects are complying with OP4.12 in a satisfactory manner in that resettlement was avoided as much as possible. All PAPs gave consent for projects to use their land and supported the development. All PAPs regardless of gender and age were consulted and meaningfully engaged from the planning stage to implementation. Targeted efforts were done to promote participation of married women and the elderly. Lastly, the majority of PAPs were provided with necessary tools to restore their livelihoods.

By giving cash compensation to PAPs, nearly all projects overlooked the fact that most of the land taken was the primary source of income and livelihood for them. This is also not consistent with sustainability principles of OP 4.12 which supports the idea of giving people alternatives including land for land compensation. Reflecting one spouse's name did not guarantee that compensation would be used jointly by spouses married in community of property. Lastly, there was also a risk of use of violence in instances where spouses do not get along or disagreed on how cash compensation should be used.

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