
Project for the Improvement of the Water Supply System of the City of Nampula

DRAFT ABBREVIATED RESETTLEMENT ACTION PLAN (ARAP)

Prepared by:



Ready for:



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Acronyms

Acronym	Meaning
ADP	Area Development Plan
AdRN	Waters Board of the Northern Region (<i>Águas da Região do Norte</i>)
AIP	Area of Influence of the Project
ARAP	Abbreviated Resettlement Action Plan
CAP	Community Affected by the Project
DUAT	Right to Use and Benefit from Land (<i>Direito de Uso e Aproveitamento da Terra</i>)
FIPAAS	Water Supply and Sanitation Investment and Asset Fund
GRM	Grievance Redress Mechanism
IAP	Interested and Affected Party
JICA	Japan International Cooperation Agency
JICA Guidelines	JICA Environmental and Social Considerations Guidelines
M&E	Monitoring and Evaluation
MZN	Mozambican Metical
NGO	Non-Governmental Organization
PAP	Project Affected Person
PAH	Project Affected Households
PC	Public Consultation
PCPP	Public Consultation and Participation Process
RAP	Resettlement Action Plan
SES	Simplified Environmental Study
ToR	Terms of Reference

1. INTRODUCTION

1.1. Contextualization of ARAP

The city of Nampula, with an estimated population of 1,057,290, is supplied with drinking water from two main sources: a surface source and complementary underground sources. The main source of supply is the reservoir built on the Monapo River, located approximately 12 km from the city center, with a storage capacity of less than 3,800,000 m³. Additionally, the system has two alternative underground sources, namely the borehole fields of Namiteka and Muatala.

The installed production capacity of the current system is estimated at:

- 40,000 m³/day at the Monapo dam;
- 3,600 m³/day in the Namiteka borehole field;
- 1,440 m³/day in the Muatala borehole field.

In recent years, rapid urban population growth, coupled with high migration flows driven by insecurity and terrorism in Cabo Delgado Province, has significantly increased pressure on Nampula City's infrastructure and basic services, particularly the drinking water supply system. As a result, the system currently in operation is proving insufficient to meet the growing population's demand.

With a view to mitigating this situation, the Government of the Republic of Mozambique requested non-reimbursable financial and technical assistance from the Government of Japan to implement the Nampula City Water Supply System Improvement Project (Project). As part of the project formulation, Águas da Região do Norte (AdRN) identified two priority locations for the planned infrastructure deployment: Namiteka and Mapara, to improve access to drinking water in the city's peripheral urban areas.

In response to a request from the Government of Mozambique, the Japan International Cooperation Agency (JICA) mobilized a Preparatory Survey Team for the Project, responsible for conducting the technical and environmental studies necessary for its implementation.

The project under study aims to expand the Namiteka water supply system by max. 2,500m³ per day in order to benefit approximately 50,000 inhabitants of the Namiteka and Mapara Communal Units, also covering urban areas of the Muaivire and Muatala neighborhoods, areas characterized by high urban growth and significant restrictions in access to drinking water.

This document constitutes the Abbreviated Resettlement Action Plan (ARAP), prepared in accordance with the Environmental and Social Considerations Policies of JICA, the project's funding entity. The project was classified by the Nampula Provincial Environmental Services in Category "B", which implies the preparation of a Simplified Environmental Assessment (SES) and a Compensation Report (CR), which will subsequently be submitted to the

competent environmental authorities as evidence of compensation for the People Affected Households (PAH) and People Affected Persons (PAP).

The project is likely to affect farmland and various crops located in the Communal Units of Namiteka, Mapara, and Namicopo “B”, particularly in the areas designated for:

- to the installation of the water intake wells;
- to the installation of pipes;
- to the construction of water distribution centers.

For the installation of the planned boreholes, it is foreseen that plots of approximately 10 m × 10 m will be acquired in 12 selected locations, as well as the temporary or permanent occupation of areas along the corridors of the supply pipelines and the interconnection between the boreholes and the distribution centers located in Namiteka and Mapara.

The implementation of the project may generate social and economic impacts on the communities involved, resulting in the loss or impairment of goods, productive assets, agricultural crops, livelihoods and other socio-economic components of the PAP. In these cases, the allocation of fair compensation and/or indemnification becomes mandatory, in accordance with Decree No. 66/98, of December 8, which approves the Regulations of the Land Law.

Additionally, the process will observe applicable international guidelines, namely the Japan International Cooperation Agency's Policies on Environmental and Social Considerations and the World Bank's social safeguard instruments, with particular emphasis on Operational Policy OP 4.12 on Involuntary Resettlement.

With a view to mitigating the impacts associated with the loss of assets and property of PAPs, this ARAP will be developed in accordance with the principles established in Decree No. 31/2012, of August 8, which approves the Regulation on the Resettlement Process Resulting from Economic Activities.

The ARAP will define, among other aspects:

- PAP eligibility criteria;
- Inventory and valuation of affected assets;
- compensation and assistance measures;
- Complaint and conflict resolution mechanisms;
- livelihood restoration programs;
- institutional responsibilities;
- monitoring and follow-up procedures.

In this way, the aim is to ensure that all people affected by the project are compensated fairly, transparently and adequately, guaranteeing that their living conditions and livelihoods are restored or improved after its implementation.

1.2. The Proponent

The project proponent is the Water Supply and Sanitation Investment and Asset Fund (FIPAAS), established by Decree No. 73/98 of December 23, of the Council of Ministers.

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1.3. The Consultant and Team Responsible for Drafting the ARAP

The preparation of this ARAP was carried out by a multidisciplinary team of qualified specialists, coordinated by Jorge Jaime Jeremias Sitoi, Individual Consultant for the Preparation of Territorial Planning Instruments, with Certificate No. 0081/CI/2021 issued by the Ministry of Land and Environment.

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The consultant formed a technical team responsible for preparing the ARAP, as indicated in the table below:

Table1: *Technique for Drafting the ARAP*

Name	Job Title/Function
Jorge Sitoi	Coordinator of ARAP & Specialist Consultant in Resettlement
Alberto Tembe	Social Specialist and Field Work Supervisor
Aly Momedede	Field technician /Community facilitator
Sebastião Policarpo	Socioeconomic database analyst

During the activities, the main team will be based in Matola City and will conduct working visits to the project area (Nampula City) as needed, joining the team of assistants permanently based in Nampula City.

1.4. Objectives of the Fast-Track Resettlement Action Plan

The preparation of an (Abbreviated) Resettlement Action Plan (ARAP) is required for economic activities involving acquisition of land and the consequent allocation of goods, assets, or means of subsistence to populations on a small scale, not exceeding 200 affected people, so RAP/ARAP is not legally required for this Project. In these cases, it is the

responsibility of the project proponent to ensure the implementation of measures that guarantee fair and adequate resettlement and/or compensation in accordance with national legislation and applicable international standards.

This ARAP is prepared within the scope of the Project and has the general objective of guiding the compensation process for PAPs to minimize the socio-economic impacts resulting from the loss or impairment of social and economic assets and livelihoods arising from the implementation of the Project.

The specific objectives of this ARAP include:

- Disseminate relevant information about the project and the potential impacts associated with the activities planned in the implementation area;
- To establish the legal, institutional and procedural framework applicable to the preparation and implementation of PAP compensation activities;
- To ensure compliance with the provisions of Decree No. 66/98, of December 8, which approves the Land Law Regulations, establishing the obligation to pay compensation whenever the land acquisition process results in expropriation or allocation of assets;
- To define procedures for compensating assets affected by the project, in accordance with applicable Mozambican legislation, with particular emphasis on Decree No. 31/2012, of August 8, which approves the Regulation on the Resettlement Process Resulting from Economic Activities;
- To ensure compliance with JICA's Policies on Environmental and Social Considerations, as well as the World Bank's social safeguards, particularly Operational Policy OP 4.12 on Involuntary Resettlement, which establishes that resettlement should, whenever possible, be avoided and, when unavoidable, should ensure living conditions equal to or better than those previously existing;
- Consult with and involve affected individuals regarding measures to mitigate the impacts resulting from the loss of social, economic, and livelihood assets, as well as mechanisms for recovering livelihoods;
- To provide the governments and local bodies covered by the project, as well as FIPAAS and AdRN, with guiding instruments for the compensation process for affected individuals;
- To guide the definition of eligibility criteria and rights of PAPs, ensuring the allocation of fair, transparent and adequate compensation;

- Establish guidelines for the effective implementation of the compensation process, including complaint mechanisms, conflict management, and dispute resolution that may arise during project execution and ARAP implementation;
- To develop a reference instrument for offsetting the PAPs identified within the scope of this ARAP, which should also be applied to additional allocations arising from the Contractor's activities during the construction phase.

Thus, this ARAP aims to ensure that all Persons Affected by the Project are treated fairly and equitably, and to guarantee the restoration or improvement of their living conditions and livelihoods, in accordance with national and international principles applicable to involuntary resettlement and compensation for affected assets.

1.5. Methodology for Preparing the ARAP

The development of this ARAP was based on an integrated methodological approach that involved document review, field research, community consultations, and socioeconomic surveys in areas potentially affected by the project.

In the first phase, an extensive review of the relevant literature and documentation was carried out, covering:

- technical documentation of the project;
- previous studies related to the area of intervention;
- applicable national legislation;
- international policies and safeguards;
- statistical data;
- Satellite images;
- and other secondary sources of information considered relevant.

The document review enabled us to understand the biophysical, socioeconomic, and institutional context of the project area and to identify the legal and procedural requirements applicable to the compensation and resettlement process.

In parallel, research and field analysis activities were carried out, based on the preliminary findings obtained during the office phase. These activities contributed to a better understanding of the biophysical and socioeconomic conditions in the intervention areas and enabled the definition of the technical and social assumptions for the development and implementation of the ARAP.

The activities carried out during the preparation of the ARAP included the following methodological steps:

- Evaluation of available primary and secondary information, obtained from different documentary and institutional sources;
- Delineation of the project area, including the identification of areas potentially affected by the works, namely:
 - Drilling areas with approximate dimensions of 10 m × 10 m;
 - Interconnecting corridors between the boreholes;
 - Water supply areas for distribution centers;
 - and areas designated for the permanent installation of infrastructure.

The delimitation of the areas was aided by satellite imagery and georeferencing tools, including Google Maps, allowing for the spatial identification of the project components and the collection of their respective geographic coordinates;

- Holding community meetings in the Namiteka, Mapara and Namicopo “B” Communal Units, with the objective of:
 - to present the project to the communities;
 - To publicize the objectives of ARAP;
 - explain the procedures for identifying PAPs;
 - and to gather insights and concerns from local communities;
- Preparation and adjustment of data collection instruments, including socioeconomic questionnaires and inventory forms for affected assets;
- Training and capacity building for the interviewers responsible for the field surveys, including the prior testing of the questionnaires;
- Institutional interaction with district and municipal administrative management bodies, as well as with local Community Leaders;
- Identification and verification of assets located within the project areas, including:
 - farms;
 - agricultural crops;
 - trees and various plants;

- and other potentially affected assets, an activity carried out with the support of Community Leaders;
- Conducting detailed surveys of affected assets and PAPs, also with the support of community leaders;
- Conducting follow-up meetings with Local Leaders before and after field surveys and community meetings, involving Community Leaders, PAPs, and Stakeholders and Affected Persons (SAPs), with the objective of:
 - prepare the survey activities;
 - to present preliminary findings;
 - To gather the sensitivities and concerns of the communities;
 - Prepare the subsequent phases of the compensation process;
 - and to facilitate the future presentation of the Compensation Plan;
- Preparation of the electronic database of PAPs, followed by the evaluation, processing and analysis of the data collected in the field;
- Development of calculation methods for determining the compensation values of affected assets, including the definition of complementary measures for assistance and restoration of livelihoods;
- Preparation of the preliminary draft of the Compensation Plan and elaboration of the estimated budget for the implementation of the ARAP.

The methodology adopted ensured a participatory, transparent, and technically sound process, in accordance with applicable Mozambican legislation, the JICA Policies for Environmental and Social Considerations, and the World Bank's social safeguard instruments.

1.6. Scope of Preparation and Implementation of the ARAP

The Project aims to improve the population's access to drinking water services by improving the supply system infrastructure, contributing to better living conditions, public health, and urban sanitation. However, implementing the project's components may have social and economic impacts, including the loss of tangible assets, economic activities, and PAPs' livelihoods.

With a view to mitigating these impacts, this ARAP was developed to establish the principles, procedures, and mechanisms applicable to the compensation process for PAPs. The document defines, among other aspects:

- the criteria for identifying PAPs;
- the eligibility criteria;
- the rights of the people affected;
- the methods for calculating compensation;
- the associated costs;
- the institutional implementation procedures.

In preparing the ARAP, potential assets susceptible to being affected by the works foreseen in the project's components were identified. The respective owners and users were registered before the eligibility cut-off date and recognized as PAPs, thereby becoming entitled to compensation for damages resulting from the project's implementation.

The guiding principles of this ARAP apply to the entire process of compensating for assets affected by project-related activities, encompassing the ARAP's preparation and implementation phases, as well as the construction phase. These principles are based on:

- in applicable Mozambican legislation;
- in the Policies for Environmental and Social Considerations of the Japan International Cooperation Agency;
- and in international social safeguard instruments, including the World Bank's Operational Policy OP 4.12 on Involuntary Resettlement.

The PAPs identified as eligible under this ARAP are entitled to fair compensation for their affected assets before construction begins. Compensation will occur during the phase defined for ARAP implementation, with responsibility held by FIPAAS and AdRN.

Additionally, any impacts and damages directly caused by the Contractor's activities during the execution of the works will also be subject to compensation under the terms defined in this ARAP. In these cases, the responsibility for compensation will lie with the Contractor, under the supervision of FIPAAS and AdRN.

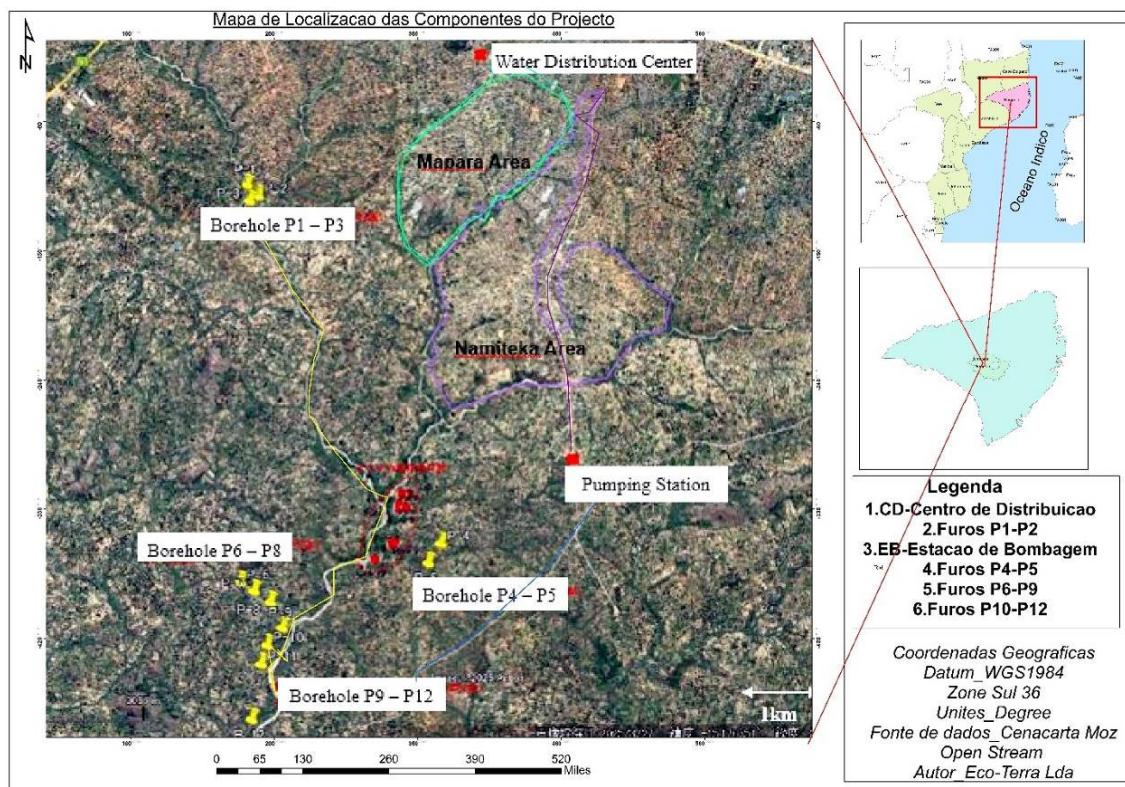
Thus, this ARAP aims to ensure that all PAPs are treated fairly, transparently, and equitably, guaranteeing the restoration or improvement of their living conditions and livelihoods after the project's implementation.

2. DESCRIPTION OF THE PROJECT AREA

2.1. Project Location

The project will be implemented in the city of Nampula, capital of the province of Nampula, located between the geographical coordinates 15°01'35" and 15°13'15" South latitude and 39°10'00" and 39°23'28" East longitude. The city covers an area of approximately 404 km², with a territorial extension of about 25 km in the East-West direction and between 20 and 25 km in the North-South direction, presenting continuous urban expansion and strong pressure on basic services.

Maps1: Project Area Location Map



Source: Own elaboration, 2026.

Its natural and administrative boundaries are defined as follows: to the north by the Monapo River, where the main water-supply dam is located; to the south by the Mwepelume River; to the east by the Anchilo Administrative Post in the Nampula district; and to the west by the Rapale district.

The project is in urban and peri-urban areas, in the neighborhoods of Muahivire Expansão Vila and the communal units of Namiteka, and in the Muatala neighborhood in the communities of Mapara and Namicopo “B” in the city of Nampula, areas with apparent population growth

due to their status as urban expansion zones. The two neighborhoods are located in the Administrative Posts of Muala and Muatala, respectively.

2.2. Project Area of Influence

The Area of Influence (AI) of the project corresponds to the geographical area likely to suffer direct and indirect impacts resulting from the implementation of the planned activities, encompassing biophysical, socioeconomic and environmental components.

For this project, three categories of areas of influence were defined, namely:

- Directly Affected Area (DAA);
- Area of Direct Influence (ADI);
- Area of Indirect Influence (AII).

2.2.1. Directly Affected Area (DAA)

The Directly Affected Area refers to the specific areas where the project's infrastructure will be implemented and where permanent or temporary physical interventions associated with the works will occur.

This area includes:

- The locations for the 12 water intake boreholes;
- the new pumping station;
- the new distribution center;
- the pipeline installation corridors;
- and the adjacent areas designated for construction and operational support activities of the project.

It is in this area that the direct social impacts related to the allocation of goods, agricultural crops, and other assets belonging to the PAPs will occur.

In general, the DAA is characterized by areas predominantly occupied by small farms, scattered agricultural crops, and partially urbanized spaces, with no large-scale concentration of permanent dwellings directly above the sites where the planned infrastructure will be implemented.

2.2.2. Area of Direct Influence (ADI)

The Direct Impact Area corresponds to the zone subject to direct impacts from the project's construction and operational activities.

The following impacts may occur in this area:

- to atmospheric emissions;
- to noise and vibrations;
- to the temporary alteration of traffic;

- to the modification of the landscape;
- to the disturbance of the flora;
- to the consumption of natural resources;
- to job creation;
- and other social and economic impacts related to the implementation of the project.

The ADI specifically covers the Administrative Posts of:

- Muatala;
- Muala.

Most of the identified PAPs reside in this area of influence, although their agricultural assets or productive assets may be located in the DAA.

2.2.3. Indirect Area of Influence (All)

The Indirect Area of Influence corresponds to the areas likely to suffer indirect impacts associated with the project, particularly in the socio-economic, urban and environmental domains.

This area includes sectors of the City of Nampula and adjacent zones that may benefit from or be indirectly influenced by improvements to the water supply system, including:

- Improving access to drinking water;
- reducing pressure on alternative sources of supply;
- Improvement of sanitary conditions;
- urban appreciation;
- boosting local economic activities.

Some PAPs residing in this area were also identified, although their affected assets are located outside their respective area of residence.

Defining the areas of influence allowed for the spatial delimitation of the project's potential impacts, guided the process of gathering PAPs, and supported the development of mitigation, compensation, and monitoring measures foreseen in this ARAP.

3. PROJECT DESCRIPTION

3.1. The Project

The objective of this project is to pump groundwater from artesian wells to supply the areas of Namiteka and Mapara, in the city of Nampula, Nampula province (project area). The main project activities include the following:

- i. Drilling of 12 artesian wells, each equipped with a pump house and generator, and a guardhouse.
- ii. Excavation for the installation of raw water transmission pipelines from artesian wells to public roads (approximately 20 km in total).
- iii. Construction of a pumping station with a pump house and generator (see the red dot in the center right of the map).
- iv. Excavation for the installation of water transmission piping from the pumping station to the Water Distribution Center (CD).
- v. Construction of a distribution center with a 1,000 m³ reservoir, chlorine disinfection, and a flow meter room (see the red dot at the top of the map).
- vi. Implementation of a water distribution network with public taps (approximately 80 km in the Namiteka and Mapara areas, indicated below).

Complementary activities

The project also includes the execution of the following complementary activities:

- o Construction of a construction site, including a materials storage area and a camp for the construction workers.
- o Construction of foundations and remaining structure in reinforced concrete.
- o Installation of hydraulic equipment;
- o Installation of mechanical equipment;
- o Installation of electrical equipment;

Brief Description of Construction Technologies

The planned construction technology will include techniques normally used in civil construction for similar projects, and the use of exceptional or unusual techniques or machinery is not foreseen. Backhoes, graders, and trucks will be used to transport materials, as well as other typical small-scale equipment (such as drills, concrete mixers, pneumatic hammers, and welding equipment).

Main Equipment and Materials

For the implementation and maintenance of the system, the following will be mobilized:

- **Equipment:** drilling rigs, backhoes, tanker trucks, compactors and generators.

- **Materials:** PVC and HDPE (high-density polyethylene) piping, cement, steel (iron), aggregates (crushed stone and sand), submersible pumps, and water meters.

Land availability for project implementation.

The project has two areas designated for infrastructure development. The boreholes will be installed in an area designated as a borehole field, belonging to FIPAG, where there are currently 10 water boreholes supplying the communities of Namiteka, in the city of Nampula.

Each borehole will occupy an area of 10m x 10m and will be fenced for protection. Currently, the areas in question are used by the communities for subsistence farming, and it is expected that several crops will be affected by the project.

Labor to be hired during the activities

The contractor will be responsible for recruiting personnel for the project activities. Therefore, the number of workers to be hired is currently unknown.

In summary, the project includes the following interventions:

- 1) Drilling 12 holes for water intake;
- 2) Installation of 20 km of raw water pipeline;
- 3) Construction of 01 Water Pumping Station (pump house);
- 4) Installation of a water supply pipeline from the pumping station to the distribution center;
- 5) CD construction using:
 - a) 1000 m³ reservoir;
 - b) Disinfection system;
 - c) Flow meter room;
 - f) Electrical Installation.
- 6) Installation of 80 km of water distribution network. Wherever possible, the project includes the installation of public taps.

During subsequent studies, the potential restrictions identified in the detailed survey will be analyzed. No public property should be disturbed during the construction of the project facilities.

3.2. Location of Works and Activities

The project activities described above will be carried out in three urban areas in the city of Nampula, as indicated in the tables and images below.

- **Namiteka.**

Table2: Activities in the Namiteka area

Infrastructure	Description	Situation of ARAP
Boreholes	Two boreholes, each equipped with a pump house and generator, and a guardhouse. Permanent loss of an area of 10 x 10 meters	Farms with crops
Corridor for Conduct	Opening of a 4-meter corridor between boreholes and to the road. As well as from the Pumping Station to the Distribution Center.	Farms with crops
Pumping Station	Construction of a pumping station with a pump house and generator;	Farms with crops
Distribution network	Installation of a distribution network and public taps (80 km for two areas of Namiteka and Mapara)	There are no implications for ARAP.

Source: Own elaboration, 2026

Maps2: Map of the Project Area in Namiteka and Planned Infrastructure



Source: Own elaboration, 2026

- **Mapara.**

Table3: Activities in the Mapara area

Infrastructure	Description	Situation of ARAP
Boreholes	Two boreholes, each equipped with a pump house and generator, and a guardhouse. Permanent loss of an area of 10 x 10 meters	Farms with crops
Corridor for Conduct	Opening of a 4-meter corridor between boreholes and to the road. As well as from the Pumping Station to the Distribution Center.	Farm with crops

Distribution Center	Construction of the Distribution Center with a 1,000 m³ reservoir;	No implications for ARAP
Distribution network	Installation of a distribution network and public taps (80 km for two areas of Namiteka and Mapara)	There are no implications for ARAP.

Source: Own elaboration, 2026

Maps3:Project Area Map and Planned Infrastructure.



Source: Own elaboration, 2026

- **Namicopo “B”**

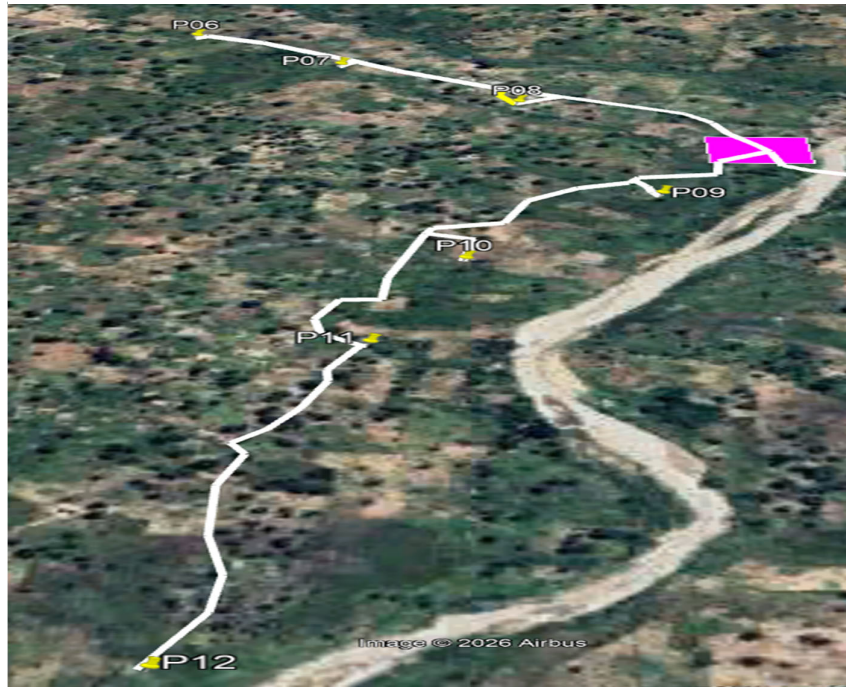
Table4: Activities in the Namicopo “B” area

Infrastructure	Description	Situation of ARAP
Boreholes	7 boreholes, each equipped with a pump house and generator, and a guardhouse. Permanent loss of an area measuring 10 x 10 meters.	Farms with crops
Conduct Corridor.	Opening of a 4-meter corridor between boreholes and to the road.	Farms with crops

Source: Own elaboration, 2026

The map below illustrates the approximate location of the structures planned for construction in Namicopo B.

Maps4: Map of the Project Area in Namicopo “B” and Planned Infrastructure.



Source: Own elaboration, 2026

3.3. Land Use

The project implementation area has an irregular topography, characterized by steep slopes and areas susceptible to water erosion. The dominant relief follows the natural slope of the land towards the streams that cross the intervention area, favoring surface runoff and sediment transport processes.

From a geotechnical point of view, sandy soils predominate, which are highly permeable and have low cohesion. These characteristics contribute to the instability of the terrain and increase its susceptibility to erosion and gully, particularly during rainy periods and during earthmoving and agricultural activities.

These physical conditions characterize the Communal Units of Namiteka, Mapara and Namicopo “B”, areas that are part of the so-called “Borehole Field” zone, recognized for its hydrogeological conditions favorable to the capture and production of drinking water.

The hydrographic and edaphic characteristics of the area also favor the practice of subsistence agriculture, an activity widely developed in the low-lying areas bathed by streams, where small farms with diverse agricultural crops predominate. These areas play an important economic and social role for local communities, constituting a source of livelihood and family income.

Located on the outskirts of Nampula City, particularly in areas adjacent to the so-called Cement City, the area benefits from proximity to basic urban infrastructure and access roads, factors that have driven accelerated spontaneous and disordered urban expansion.

As one moves towards the predominantly agricultural areas and the Furos Field, one observes a growing informal occupation of the land for housing and other urban activities. These characteristics extend along the planned route for the pipeline between the Namiteka Pumping Station and the Mapara Distribution Center.

The sloping terrain towards the streams may influence the silting up of drainage lines during drilling and excavation activities, due to the erosion of excavated material by surface water. This situation could cause a temporary increase in water turbidity in streams used by local communities, affecting the quality and availability of this essential resource.

If such impacts are not properly mitigated, negative perceptions and concerns regarding the project may arise among the affected communities.

Additionally, the area is expected to remain subject to strong urban pressure due to the existence of extensive green areas still available for urban development, especially for housing expansion. In scenarios of accelerated and unplanned urban growth, there is a risk of degradation of the quality of groundwater resources, particularly the aquifer that sustains the projected water supply system, which could compromise the future sustainability of hydrogeological exploration in the city of Nampula.

4. LEGAL ASPECTS

4.1. Legal Framework of the Resettlement Plan

4.1.1. National Legislation

Specific legislation on resettlement in Mozambique is embodied in a set of legal instruments that regulate resettlement arising from economic activities, land acquisition, and expropriation for public interest and territorial planning purposes.

Within the scope of this project, legislation relating to the following is of particular relevance:

- The use and exploitation of land;
- involuntary resettlement;
- compensation for affected assets;
- and the protection of the rights of PAPs.

Given that the project may disrupt farmland, agricultural crops, and other socioeconomic assets during the construction phase, the applicable legal instruments provide the necessary mechanisms to protect the rights and interests of affected communities and ensure fair and adequate compensation.

The table below presents the main legal instruments considered relevant to this project.

Table5: List of Applicable National Legislation

Legislation	Date of Promulgation	Applicability to the Project
Constitution of the Republic of Mozambique	2004	The Constitution of the Republic of Mozambique establishes the structural parameters for the country's growth and modernization and reaffirms the participation of organizations in ensuring and respecting the fundamental rights and freedoms of the country's citizens. Of particular importance to this Presidential Proposal are the fundamental rights, duties, and freedoms of citizens, which are promoted, as well as the rights of communities and, especially, children. Freedom of expression is also enshrined, meaning that every person affected by the Project has the right to express their opinion on development and voice their concerns. Article 90 of Chapter V also emphasizes the importance of environmental protection and the rational use of natural resources. Parallel to this clause is the Constitution's emphasis on the agricultural sector, which the Government of Mozambique considers the basis for the country's national development.
Regulations on the Resettlement Process Resulting from Economic Activities	Decree No. 31/2012, of August 8	This regulation outlines the procedures for any resettlement in Mozambique and specifically articulates the necessary government assistance during a resettlement process. Article 4 of the Regulation presents the principles of resettlement, highlighting, for example, cohesion, equality and social equity, public participation, and social and environmental responsibility. Similarly, the regulation shows the need to inform affected populations about their rights regarding economic displacement, as described in Articles 10 and 14. The articles of this regulation are used to structure most RAP procedures at the community level

Legislation	Date of Promulgation	Applicability to the Project
		when necessary. This regulation defines the commissions that monitor the RAP preparation process, the rights of the affected population and the right to information, the responsibilities of central and local governments, as well as public consultation and participation.
National Land Policy	Resolution No. 10/95, of October 17	It regulates access to land for all purposes, including economic and residential purposes. It anticipates the need for areas for infrastructure works (roads, railways, power transmission lines) and other public works. The developing occupation must consider the people who live off the land and the investments they have made, provided that these do not conflict with approved land use plans.
Regulations on the Environmental Impact Assessment Process	DecreeNo.54/2015 of December 31	It establishes the rules relating to the Environmental Impact Assessment process and aims to mitigate the negative impacts of certain public and private sector projects on the natural and socio-economic environment, through environmental and social studies prior to project implementation. This regulation, in conjunction with the Ministerial DecreeNo. 130/2006 of July 19, This obliges the project proponent to conduct public consultation and participation, particularly in cases where the use of natural resources is restricted by the project or where the physical displacement of people is a consequence of the project's implementation.
Internal Regulations for the Operation of the Technical Committee for Monitoring and Supervising Resettlement	Ministerial Decree No. 155/2014 of September 19	It regulates the activities of the body responsible for overseeing and monitoring population resettlement processes, establishing its basic operating principles and indicating its composition and functions.
Technical Directive for the Process of Developing and Implementing Resettlement Plans	Ministerial Decree No. 156/2014 of September 19	It establishes the possibility for those affected to benefit directly from the project and its socioeconomic impacts, through their settlement in new areas with means of subsistence, social services and available resources. The Directive outlines aspects relating to the rights of stakeholders, compensation, the responsibilities of bidders, and the aspects to be included in the Report.s, the Resettlement Plan, the Public Consultation and Participation Process, as well as theMonitoring and Oversight of Implementation.
Land Law	Law No. 19/97 of October 1	The study area is under customary possession, which is why the 1997 Land Law is applicable. This law provides the legal framework for land ownership, as well as for the control of land and natural resources in Mozambique. The process of determining land rights is also regulated by this law. The law was created with the intention of encouraging the use and exploitation of land, contributing to the development of the national economy. The law establishes the terms under which all activities relating to the right to use and exploit land operate (Article 2). It provides the basis for defining land use rights by individuals and details these rights based on customary claims and procedures for acquiring title to use

Legislation	Date of Promulgation	Applicability to the Project
		and exploit land by communities and individuals. The Land Law also establishes land use rights that can be acquired through good-faith occupation for more than 10 years, by inheritance, or by occupation (customary possession), except in legally defined reserves or in areas where the land has been legally transferred to another person or body. The Land Law Regulation defines the automatic creation of a Partial Protection Zone (PPZ) upon the implementation of infrastructure as a restricted occupation area, allowing only specific activities, the authorization of which is granted through a Special License issued by the Provincial Governor. The regulation does not specify the area of the PPZ in relation to the dimensions of the water infrastructure. Article 7(d) defines: <i>"Aerial, surface, underground and submarine installations and pipelines for electricity, telecommunications, oil, gas and water, and the adjacent 50-meter strip;"</i>
Land Law Regulations	Decree No. 1/2003 of February 18	Land appropriation and property rights are fundamental to the implementation of the project. Key aspects of the regulation include: • Consultations between land applicants and the local community are mandatory before the decision to grant land use title is made by the Provincial Governor or higher authority; • Bona-faith occupants and local communities may apply for demarcation and title; titleholders are required to pay a tax for authorization of the right to use the land, in addition to an annual tax. Family businesses and local communities are exempt from such taxes; the delimitation of areas occupied by local communities will not prevent economic or other activities from being carried out, provided that the consent of the communities is obtained. It is essential that the local community be actively involved and consulted in the demarcation process. • The process of terminating the use and exploitation of land for reasons of public interest will run parallel to the land acquisition process and will be preceded by the payment of fair compensation and/or indemnification.
Protection of Mozambican Cultural Heritage	Law No. 10/88, of December 22	The objective of this law is to protect the tangible and intangible assets of Mozambican cultural heritage – for example, monuments, buildings of historical, artistic and scientific sites, and natural elements of scientific and aesthetic interest. This law extends to any cultural assets that may be discovered in Mozambican territory, in particular, in the soil, subsoil, beds of inland water bodies or on the continental shelf. Heritage resources may be disturbed and affected by project activities and, as such, fall within the scope of this regulation.
Archaeological Heritage Regulations on the Protection of Archaeological Heritage	Decree No. 27/1994 of July 20 Decree No. 27/97 of July 20.	Heritage resources may be disturbed and impacted by project activities and, as such, fall within the scope of these regulations.

Legislation	Date of Promulgation	Applicability to the Project
Forest and Wildlife Law	Law No. 10/1999 of July 7	It aims to ensure the protection, conservation, development, and rational and sustainable use of forest and wildlife resources for the economic, social, and ecological benefit of current and future generations of Mozambicans. The legislation deals directly with concession areas granted for commercial forestry, and also provides for the designation and protection of areas of historical and cultural use and value in accordance with the customary norms and practices of local communities. The principles that should characterize and inform the management and use of forest resources are described in Article 3.
Forest and Wildlife Law Regulations	Decree No. 12/2002 of June 6	Provides additional guidance on the Forest and Wildlife Law. Article 15 expands the third-party rights of local communities in the respective exploitation areas. Article 32 details the Concessionaire's obligations. The Concessionaire is obliged to respect the rights of third parties within the concession area; allow local communities access to the natural resources they need for their personal consumption, in accordance with the Law; exploit the resources existing in the area in harmony with the norms and customs of the representative local communities, subject to legal exceptions; and give preference to local communities when recruiting labor for the concession.
Road Policy	Resolution No. 61/2008	It establishes the main pillars for the development and operation of the national road network. One of the fundamental principles of the road law is passability (improving the conditions of roads that are difficult to access). Point 7.8 refers to the obligation of the Government of Mozambique to rehabilitate the roads that are part of the International Corridors, such as those in Nacala, Beira and Maputo. The proponent must ensure that there are specifications that safeguard the environment in the tender process, as well as specifications to be followed during the execution of the works.
Regulations for the Use of Roads and their Protection Zones	Decree No. 109/2014 of December 31	It establishes rules for the use of public roads and their respective partial protection zones, and defines the applicable sanctions regime. The applicant must ensure that no potentially polluting activities occur in the road protection zones. It must be ensured that no waste or effluent is dumped in the partially protected areas.

Source: Own elaboration, 2026

4.2. JICA's Policies for Environmental and Social Considerations

JICA's Policies on Environmental and Social Considerations establish principles and guidelines to ensure that the social impacts resulting from land acquisition and involuntary resettlement are properly prevented, or minimized and mitigated.

These guidelines apply to all projects funded or supported by JICA and aim to protect the rights to livelihoods and living conditions of PAPs.

The guidelines stipulate that, during the planning phase, projects should present several alternatives, with the aim of avoiding involuntary resettlement whenever possible, by reducing land acquisition, avoiding the displacement of people and goods, and minimizing social and economic impacts. When resettlement is unavoidable, negative impacts should be minimized.

The policy additionally establishes the following principles:

- Fair, adequate, and prior compensation for all assets affected by the project, based on the replacement cost of the assets, both for temporary and permanent losses, to be paid before the start of the works. The compensation must guarantee the restoration of the livelihoods of the PAPs and the communities;
- The communities affected by the project have the right to participate actively and to be consulted, freely, transparently and inclusively, in all phases of the resettlement process, in a process that involves the public and all stakeholders.
- The obligation to protect vulnerable groups, who deserve greater attention.
- The project must establish a conflict resolution mechanism that addresses and responds to all issues arising from the resettlement process;
- The implementation of this resettlement involves establishing monitoring and evaluation procedures to ensure compliance with the objectives of the resettlement process and the established compensations.

JICA guidelines recommend the development of an Abbreviated Resettlement Action Plan for situations where project impacts are considered limited, with fewer people, assets, or livelihoods requiring large-scale physical resettlement.

4.3. Comparison between Mozambican legislation and JICA Policies

This chapter compares Mozambican legislation relating to resettlement, land tenure and administration with JICA policies relating to environmental and social considerations.

The legal framework relating to land administration in Mozambique is broad and complex.

Within this legal framework, the right to compensation is essentially based on the loss of the right to use and benefit from the land, which is owned by the State under statutory law.

In turn, JICA's Policies for Environmental and Social Considerations. They declare that all persons affected by the Project are entitled to some form of compensation, whether or not they have legal title, if they occupy the land until a certain deadline. Recognition of this status is also provided by Mozambican legislation to national communities and individuals who have occupied and used land for more than 10 years; however, it does not cover the encroachment on rights of way or legally reserved or licensed areas.

To JICA's Policies for Environmental and Social Considerations. Their primary aim is to prevent or mitigate the impacts of displacement resulting from a project. Although prevention is not as clearly emphasized in the policy, the mitigation of social impacts is safeguarded by Mozambique's environmental, land use planning, land, and urban land legislation, as well as by the growing body of regulations and directives related to the consultation and participation of people affected by investors' development activities.

For this project, Mozambican legislation will govern land tenure rights, but in cases where people affected by the project do not have usage rights under Mozambican law, the provisions of the JICA Policy on Environmental and Social Considerations will apply in terms of their rights to compensation, consultation, and grievance mechanisms where they have been affected by this project.

The sustainability requirements of JICA's Policies for Environmental and Social Considerations. This means that local residents who are forced to interrupt or reduce their livelihood activities must be guaranteed access to alternative sources of food or livelihoods. If these are not readily accessible, they must be provided by the Resettlement Project. In fact, Mozambican legal frameworks relating to Territory, Planning and the Environment support this approach to sustainable human development and environmental management.

The table below analyzes the gaps between national legislation and JICA's Policies for Environmental and Social Considerations.

Table6: Comparison of Mozambican Legislation with JICA's Policies for Environmental and Social Considerations

No.	JICA Guidelines/World Bank ESS5	Laws of Mozambique	Gap between JICA Guidelines and Mozambican Laws	Resettlement Plan
1.	Involuntary resettlement and loss of means of livelihood are to be avoided when feasible by exploring all viable alternatives (JICAGL).	Article 21, Decree 31/2012 states that the resettlement plan should among others include technically and economically viable solutions and alternatives that allow maintaining or improving the current living conditions of affected families, but no Mozambican laws stipulate avoidance of resettlement and loss of means of livelihood.	There is a gap between JICA GL and Mozambican laws. The avoidance of resettlement and loss of means of livelihood is not clearly required by Mozambican laws.	The RAP report will describe how the avoidance of resettlement and loss of means of livelihood was carefully considered.
2.	Project affected people, such as people to be resettled involuntarily and/or people who may lose their livelihoods by the project, must be provided sufficient compensations and supports by the project proponents in a timely manner (JICAGL).	Project-affected people (PAP) are entitled to participate effectively and actively in all stages of the decision-making process on the resettlement, and it must be consulted in a timely and effective manner from the stage of conception and throughout the process of preparation and	No major gap between JICA GLs and Mozambican laws was identified.	-

No.	JICA Guidelines/World Bank ESS5	Laws of Mozambique	Gap between JICA Guidelines and Mozambican Laws	Resettlement Plan
		implementation of the resettlement plans (Article 10 and 16 of Decree 31/2012 and Article 2.2 of Diplo. 156/2014). Fair compensation means compensation that covers not only the real and current value of the expropriated property at the time of payment, but also the owner's consequential damages and loss of profits resulting from the deprivation of his property. It must be paid in advance to transfer of ownership or possession of the goods to be expropriated (Article 2.2 of Diplo. 181/2010).		
3.	Compensations must be calculated at full replacement cost as much as possible, and provided in advance (JICAGL).	Fair compensation means compensation that covers not only the real and current value of the expropriated property at the time of payment, but also the owner's consequential damages and loss of profits resulting from the deprivation of his property. It must be paid in advance to transfer of ownership or possession of the goods to be expropriated (Article 2.2 of Diplo. 181/2010).	No major gap between JICA GLs and Mozambican laws was identified.	-
4.	Project proponents must make efforts for the affected people to improve or at least restore their standards of living, income opportunities and production levels to the pre-project levels (JICAGL).	Article 1, 4 and 10, Decree 31/2012 legally stipulates that in the resettlement process, all affected individuals have the right to restoration or creation of conditions equal to or above the previous standard of living and resettled individuals are allowed to have the opportunity to restore their previous basic income level.	No major gap between JICA GLs and Mozambican laws was identified.	-
5.	Compensation standards are disclosed and consistently applied. The project affected persons need to be aware of the compensation standards (JICAGL).	Article 16 of Decree 31/2012 is consistently applied as standards for the compensation of resettlement resulting from economic activities. Those compensation measures should be disclosed to the PAP at the time of project plan development (Article 22, Decree 31/2012). A more general standard is consistently applied for resettlement and land acquisition not resulting from economic	No major gap between JICA GLs and Mozambican laws was identified.	-

No.	JICA Guidelines/World Bank ESS5	Laws of Mozambique	Gap between JICA Guidelines and Mozambican Laws	Resettlement Plan
		activities (Article 4.2 of Diplo. 181/2010). The project-affected persons need to be informed of those compensation standards and timelines (Article 3 of Diplo. 181/2010).		
6.	In principle, the contents of the individual compensation to be agreed are explained to the project affected persons in writing, and the project affected persons can confirm the contents at any time (JICAGL).	The contents of the individual compensation to be agreed should be explained to the PAP in writing (Article 22, Decree 31/2012 and Article 3 of Diplo. 181/2010). The PAP can submit a counterproposal in writing withing 30 days after the contents of the compensation was provided (Article 4.1 of Diplo. 181/2010).	There is a minor gap between JICA GL and Mozambican laws. The JICA GLs state that the PAP can confirm the contents at any time, but the Mozambican law stipulates that the PAP can submit a counterproposal in writing withing 30 days after the compensation contents disclosure.	The RAP report will describe the process that the compensation contents were explained to PAP, who subsequently agreed on them.
7.	For projects that result in large-scale involuntary resettlement, a Resettlement Action Plans (RAP) must be prepared and made available to the public prior to the resettlement and provision of compensation and support (JICAGL).	RAP must be prepared and made available to the public prior to the resettlement and provision of compensation and support (Article 14, 19 and 22, Decree 31/2012).	No major gap between JICA GLs and Mozambican laws was identified.	-
8.	In preparing the RAP, consultations must be held with the project affected people and communities, based on sufficient information made available to them in advance (JICAGL).	In preparing the RAP, consultations must be held with the project affected people and communities, based on sufficient information made available to them in advance (Article 4, 13, 14, and 23, Decree 31/2012 and Article 4, 4.1 and 4.2, Diplo. 156/2014).	No major gap between JICA GLs and Mozambican laws was identified.	-
9.	When consultations are held, explanations must be given in languages and forms that are understandable to the project affected people (JICAGL).	When consultations are held, explanations must be given in local languages understandable to the PAP (Article 4.1, Diplo. 156/2014).	No major gap between JICA GLs and Mozambican laws was identified.	-
10.	Appropriate participation of the project affected people and their communities must be promoted in the planning, implementation and monitoring of measures against involuntary resettlement and loss of livelihood (JICAGL).	Appropriate participation of the PAP and their communities must be promoted in the planning and implementation of measures against involuntary resettlement and loss of livelihood (Article, 4, 13, 14, and 23, Decree 31/2012 and Article 2.2, Diplo. 156 / 2014). RAP implementation monitoring should be carried out in all	JICA GLs require participation of PAP at the planning, implementation and monitoring of measures, but Mozambican laws stipulate participation at the stages of planning and implementation, but not	The RAP report will include the participation of PAP at planning, implementation and monitoring stages, while the monitoring stage should cover the time after the relocation of PAPs and/or the payment

No.	JICA Guidelines/World Bank ESS5	Laws of Mozambique	Gap between JICA Guidelines and Mozambican Laws	Resettlement Plan
		resettlement districts to evaluate the level of satisfaction of the needs of the resettled persons (Article 7, Diplo. 156/2014).	the monitoring after the implementation.	of compensation.
11.	A mechanism for handling concerns and grievances from people and communities affected by the project's environmental and social impacts must be in place (JICAGL).	A mechanism for handling concerns and grievances from people and communities affected by the project's environmental and social impacts must be a part of resettlement action plan (Article 3.1 and 4, Diplo. 156/2014).	No major gap between JICA GLs and Mozambican laws was identified.	-
12.	The borrower will, as part of the environmental and social assessment, conduct a census to identify the persons who will be affected by the project, to establish an inventory of land and assets to be affected, to determine who will be eligible for compensation and assistance, and to discourage ineligible persons, such as opportunistic settlers, from claiming benefits (ESS5 para20).	A physical and socio-economic survey report, incl. a PAP census and land / asset inventory is required for RAP (Article 11 and Appendix 3 of Decree 54/2015, and Article 3.1, 3.2 and 6 of Diplo. 156/2014).	No major gap between JICA GLs and Mozambican laws was identified.	-
13.	Affected persons may be classified as persons: (a) Who have formal legal rights to land or assets. (b) Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; or (c) Who have no recognizable legal right or claim to the land or assets they occupy or use. (ESS5 para10) The Borrower will offer affected persons compensation at replacement cost, and other assistance as may be necessary to help them improve or at least restore their standards of living or livelihoods, subject to the provisions of paragraph 26 through 36 of the ESS (ESS5 para 12).	In the Mozambican laws, the affected persons are not classified like ESS5 para10. Article 4 of Decree 31 / 2012 stipulates that in the resettlement process, all affected individuals have the right to restoration or creation of conditions equal to or above the previous standard of living.	A gap between JICA GLs and Mozambican laws was identified about the classification of the affected persons. However, as the Article 4 of Decree 31 / 2012 states, all affected individuals are entitled to restoration or creation of conditions equal to or above the previous standard of living.	-
14.	Where livelihoods of displaced persons are land-based, or	Article 21, Decree 31/2012 states that the resettlement plan should	There is a gap between JICA GL and	The RAP report will describe that the PAP

No.	JICA Guidelines/World Bank ESS5	Laws of Mozambique	Gap between JICA Guidelines and Mozambican Laws	Resettlement Plan
	where land is collectively owned, the Borrower will offer the displaced persons an option for replacement land in accordance with paragraph 35(a), unless it can be demonstrated to the Bank's satisfaction that equivalent replacement land is unavailable (ESS5 para14).	among others include technically and economically viable solutions and alternatives that allow maintaining or improving the current living conditions of affected families. Article 4.2.2, Diplo.181/2010 stipulates how the compensation for crops and other plants should be calculated.	Mozambican laws. Mozambican laws do not require the proponent to offer an alternative land where livelihoods of displaced persons are land-based, or where land is collectively owned.	for resettlement are informal residents, who do not have any rights for the use of land. Therefore, the proponent will compensate the crops and other plants, but not offer alternative lands.
15.	Transitional support will be provided as necessary to all economically displaced persons, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living (ESS5 para36)	In the Mozambican laws, no transitional support for economically displaced persons is stipulated.	There is a gap between JICA GL and Mozambican laws. Mozambican laws do not require any transitional support for economically displaced persons.	The RAP report should indicate if there are economically displaced persons, who need to restore their income-earning capacity, production levels, and standards of living. If yes, the proponent should provide a transitional support to them.
16.	Particular attention will be paid to gender aspects and the needs of the poor and the vulnerable (ESS5 para26).	The most vulnerable groups, the elderly, families headed by women, widows and young people are heard in order to guarantee their rights (Article 20, Decree31/2012). Physio-socio-economic survey report (a part of RAP reports) must contain presentation of the affected population by age range, dependence and vulnerable groups (Article 3.1, Diplo.156/2014). The EIA report must contain identification and analysis of project impact on health, gender and vulnerable groups of affected communities among others (Article 11, Decree 54/2015).	No major gap between JICA GLs and Mozambican laws was identified.	-
17.	To address the issues identified in the environmental and social assessment, the Borrower will prepare a plan proportionate to the project's risks and impacts (ESS5 para 21).	No Mozambican laws stipulate plan proportionate to the risks and impacts associated with the project.	A gap between JICA GLs and Mozambican laws was identified.	A plan proportionate to the risks and impacts associated with the project will be included in the RAP report.

Source: Own elaboration, 2026

In general, it is observed that Mozambican legislation and JICA's Policies for Environmental and Social Considerations show strong convergence. However, JICA's guidelines present more comprehensive and detailed requirements.

5. SOCIOECONOMIC DESCRIPTION

5.1. Methodology

In order to identify potential socioeconomic impacts associated with crop loss and reduced access to agricultural land resulting from the project's implementation, ECO-Terra Lda (ETL), in coordination with local authorities and AdRN, conducted a demographic census and an asset inventory among all households with assets or economic interests in the project area, particularly along the borehole drilling sites, water supply infrastructure construction sites, and the planned route for the installation of the water supply pipeline. The process was conducted by teams of duly trained interviewers, under the technical guidance of a specialist in resettlement and socioeconomic development, and with the support of a field supervisor.

Data collection was based on structured questionnaires, specifically designed for this purpose, allowing the capture of detailed information on the composition of households, their economic activities, and existing material assets, including housing, as well as other indicators considered important for the study. All registered assets were georeferenced using GPS technology, ensuring the precise location of each inventoried item. The collected data were organized into a dedicated database and subsequently processed and analyzed using GIS tools and Excel.

For the aforementioned team to participate in the investigation, the heads of the neighborhood blocks affected were also involved, acting as witnesses in the process and validating the veracity of the information provided by the residents. The survey forms were signed by the interviewee, the interviewer, and the local representatives present, ensuring the traceability and legitimacy of the process. This methodological approach ensured the transparency, reliability, and community acceptance of the data obtained, constituting the technical basis for the development of the compensation measures foreseen in the ARAP.

5.2. Methodology: Overview of the Affected Community

Within the scope of the socioeconomic survey conducted for this ARAP, 77 PAHs (Project-Affected Households) were identified as engaging in various economic and subsistence activities that are fundamental to supporting their respective family units.

Agriculture is one of the main sources of income and food security for the affected communities. Many families depend on agricultural production for both self-consumption and local marketing. Among the main crops produced are maize, rice, beans, cassava, and various vegetables. Part of the production is sold in local markets and at community fairs, contributing to family income and the community's food supply. Thus, agricultural activity plays a central role in the domestic economy and in maintaining food security for the affected communities.

Wage labor also represents an important source of income for a portion of the affected families. Many residents work on farms located on the outskirts of Nampula City, while others engage in temporary work in rural fields and in activities associated with the urban informal sector. Although these jobs provide some financial stability, formal employment opportunities remain limited and do not reach all economically active members of households.

Beyond agriculture and wage labor, the informal sector plays a key role in the socio-economic dynamics of the project area. Small commercial activities predominate, carried out both in informal markets and in periodic fairs held weekly in different neighborhoods and residential areas.

In the informal sector, handicrafts, the sale of prepared food in open-air stalls, the trade of agricultural and manufactured products, as well as small family businesses, stand out. In many cases, these activities constitute the main source of income for the affected households.

Some families also engage in the sale of processed food products, including bread, sweets, and canned goods, as well as providing informal financial services associated with electronic money, namely M-Pesa and e-Mola. These activities are particularly important for families without access to formal employment, functioning as essential mechanisms for economic survival.

Additionally, a significant proportion of the school-age population, comprised of children and adolescents, attends educational establishments located within the project's area of influence. Although education does not represent an immediate source of income, it is widely recognized by communities as an important instrument for improving future socioeconomic conditions and employment opportunities for future generations.

However, the implementation of the project will not directly affect these activities, with the exception of agriculture, where some people will lose seasonal crops or permanent access to land. It is considered that the loss of land will not be significant or that there will be land replacement, a fact that is not considered to imply harm to food production and, consequently, to food security.

In general, it is considered that the implementation of the project will not directly affect most of the identified economic activities, with the partial exception of agricultural activity. It is anticipated that some PAPs may lose seasonal crops and, in certain cases, suffer permanent impact on small agricultural plots due to the implementation of the project's infrastructure.

However, it is understood that the loss of agricultural land will be relatively small and localized, and can be mitigated through adequate compensation and, whenever possible, by replacing the affected areas. Therefore, it is considered that the impacts on agricultural production,

livelihoods, and food security of families will not be significant, provided that the compensation and assistance measures foreseen in this PA are properly implemented.

5.3. PAP Patterns and Demographic Characteristics

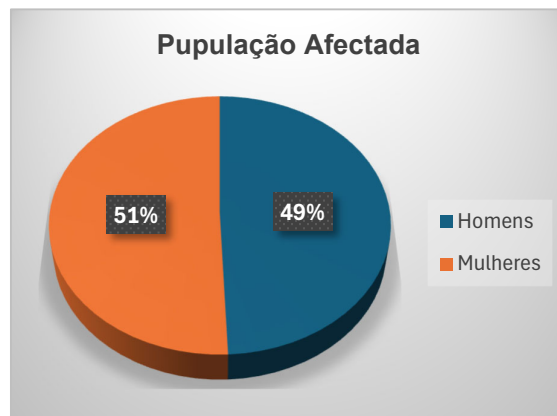
The table presents the age and gender distribution of the population of the 77 households identified as PAHs, totaling 443 PAP s. The data reveal a relatively balanced gender composition, with a slight predominance of females, representing 226 people (51%), compared to 217 males (49%).

Table7: PAHs Sense

PAHs	Total Population Affected	Men	Women
77	443	217	226

Source: Own elaboration, 2026

Graphic1: Representation of the Affected Population by Gender



From an age perspective, the affected population is predominantly young. The group of children, aged between 0 and 14 years, constitutes the largest population segment, with 169 individuals, which corresponds to 38% of the total affected population. This data highlights a strong presence of dependents in households, underscoring a high need for social protection and sensitivity during project implementation.

The group of young people, aged between 15 and 24, represents 103 individuals, which corresponds to 23% of the total population. This segment corresponds to the population of advanced school age and with progressive integration into the labor market, constituting an important group for the economic and social development of the affected families.

Adults aged 25 to 59 years total 135 individuals, which corresponds to 31% of the total. This group constitutes the main active workforce of households, being responsible for most economic and subsistence activities, including agriculture, informal trade, and wage labor.

In turn, seniors aged 60 or over represent 36 individuals, which corresponds to 8% of the affected population. Although they represent a relatively small proportion, this group requires special attention within the framework of social assistance measures, due to their potential physical, economic and social vulnerability.

In general, the observed demographic structure indicates that the affected population is mostly composed of children, young people, and economically active adults, which highlights the need to implement compensation and social mitigation measures that consider the protection of livelihoods, food security, and the socioeconomic stability of affected households.

Additionally, the presence of potentially vulnerable groups, such as children and the elderly, reinforces the importance of ensuring that the compensation process is conducted in an inclusive, participatory, and socially sensitive manner, in accordance with Mozambican legislation and JICA's social safeguards.

Table 8: Age and Gender Distribution of PAPs

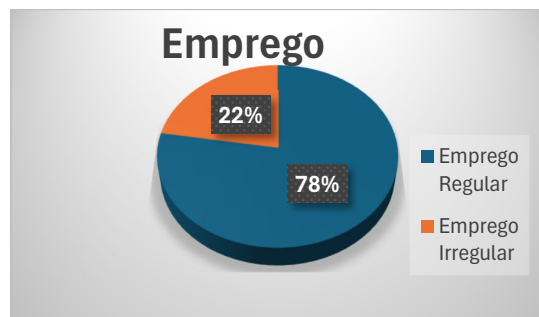
Age Group	Male gender	Female Gender	Total	by	% of Total
Children (0-14 years)	87	82	169		38%
Young people (15-24 years old)	48	55	103		23%
Adults (25-59 years old)	64	71	135		30%
Seniors (60+ years)	18	18	36		8%
TOTAL	217	226	443		100%

Source: Own elaboration, 2026

5.4. Job

Data regarding the employment situation of households affected by the project demonstrate a predominance of regular employment among the economically active population. Of the 77 PAPs, 64 answered the question about employment, and of those, 78% reported some form of regular employment, while 22% relied on activities characterized as irregular employment.

Graphic 2: Employed Population



Source: Own elaboration, 2026

The prevalence of regular employment suggests that a significant portion of families have relatively stable sources of income, although in many cases these are associated with low-

paying and highly informal activities. In the context of the project area, the concept of regular employment is frequently associated with continuous activities in agriculture, permanent informal trade, domestic work, small family businesses, service provision, and recurring seasonal activities.

On the other hand, the 22% of households classified as dependent on irregular employment represent a more economically vulnerable group, subject to greater financial instability and economic insecurity. These families generally depend on occasional activities, odd jobs, seasonal work, small temporary services, or informal activities with variable income, without guarantees of continuity or monthly stability.

The existence of irregular employment can increase the socioeconomic vulnerability of affected families, especially in situations of temporary loss of livelihoods, reduced access to farmland, or interruption of local economic activities during project implementation. In these cases, households have less capacity to absorb economic impacts and less financial resilience.

Overall, the data show that, although there is some relative economic stability among part of the affected population, significant socioeconomic vulnerabilities persist, associated with informal employment, low income levels, and a strong dependence on subsistence activities.

PAPs with irregular employment fall into the potentially vulnerable groups and should receive special attention during project implementation. In these cases, the temporary or permanent loss of cultivated areas, as well as the impact on agricultural crops, could compromise livelihoods and exacerbate the socioeconomic vulnerability of these households.

Therefore, it is essential that the compensation and assistance measures foreseen in the ARAP minimize impacts on food security and the income of affected families, and that they guarantee adequate mechanisms for restoring livelihoods and providing social support to vulnerable PAPs.

5.5. Types of Work

The surveyed PAHs show a strong predominance of agricultural activity as the main means of subsistence and income generation for the families covered by the project. Others are distributed among service and commerce activities, and the informal sector. Industry was one of the items, but no PAHs were identified in that sector.

Table9: Type of Work for PAHs (incl. multiple answers)

Type of Work					
State	Services	Business	Industry	Agriculture	Informal
9	2	2	0	64	4

Source: Own elaboration, 2026

Of the 64 PAHs interviewed, agriculture was the main economic activity of the family, despite being involved in other activities such as services and commerce. This fact highlights the high dependence of the communities on the farms and local natural resources. The agriculture practiced is predominantly for subsistence, combined, in some cases, with the limited commercialization of agricultural surpluses. This reality reinforces the socio-economic importance of the land for the affected households and highlights the social sensitivity associated with any temporary or permanent loss of agricultural areas.

The state sector employs 9 individuals, representing a relatively small portion of the economically active population. These workers are generally involved in administrative functions, basic public services, or institutional activities located in the city of Nampula. The existence of this group demonstrates some occupational diversification, albeit limited.

The service and trade sectors are underrepresented, with only 2 individuals registered in each. These activities include small businesses, the sale of various products, the provision of local services, and small-scale informal trade.

In turn, 4 individuals indicated that they engage in various informal activities that do not fit into the other categories. These activities may include odd jobs, occasional work, small domestic services, and other unstructured forms of income generation.

In general, the data demonstrate that the economic structure of the affected communities is heavily based on family and subsistence farming, with limited diversification of formal economic activities. This dependence on agricultural activity increases the socioeconomic vulnerability of families to potential land or crop losses, or temporary limitations on access to their fields resulting from the project's implementation.

In this context, it is essential that the ARAP ensures adequate measures for compensation, assistance, and the restoration of livelihoods, particularly for households whose main source of income depends directly on agricultural activities in the areas affected by the project.

5.6. PAHs Income

The data below present an assessment of PAH income over the last 12 months and show that the population covered has a predominantly low-income socioeconomic profile. The economic structure is characterized by low incomes and a strong concentration in the lower-income brackets. This reality highlights the significant dependence of families on subsistence farming, small informal businesses, and other sources of income with limited economic capacity.

Table 10: Distribution of PAHs Income in the Last 12 Months by Intervals

Income in the last 12 months	0 - 1,500	1,500 - 3,000	3,000 - 5,000	5,000 - 10,000	10,000 - 15,000	15,000 - 20,000	20,000 - 25,000	25,000 - 30,000	30,000 - 35,000	35,000 - 40,000	40,000 - 50,000	50,000 - 65,000
PAHs	15	6	10	14	3	12	0	4	1	2	3	3

Source: Own elaboration, 2026

The data demonstrate a strong concentration of PAHs in the lower-income brackets, particularly in the 0-1,500 MZN and 5,000-10,000 MZN ranges, with 15 and 14 PAHs, respectively. These results indicate that a significant portion of families have limited financial capacity and rely heavily on subsistence farming, occasional work, and small informal activities to ensure family survival.

The income brackets of 3,000-5,000 MZN and 15,000-20,000 MZN also show considerable representation, with 10 and 12 PAHs, respectively. This scenario highlights some economic heterogeneity among the affected families, although the majority remain within relatively low income levels.

It is also important to highlight the absence of PAHs in the 20,000-25,000 MZN income bracket, which indicates a discontinuity in the income distribution. On the other hand, incomes above 30,000 MZN are poorly represented, with only 9 PAHs across the higher-income brackets, indicating a small number of families with greater financial stability or diversified income sources.

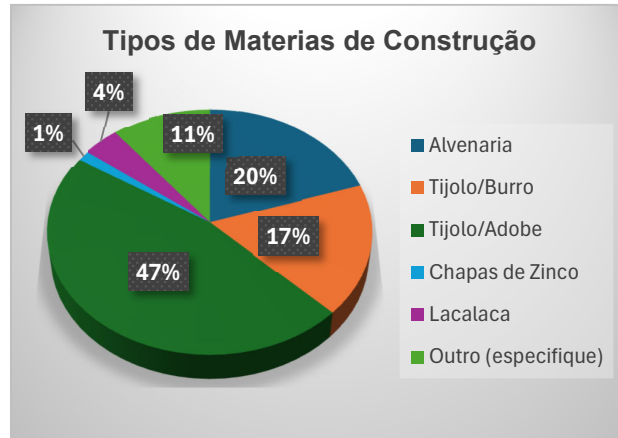
Overall, the results confirm that most primary agricultural production areas exhibit low economic resilience and high dependence on natural resources and family farming. In this context, any temporary or permanent loss of cultivated areas could significantly affect livelihoods, especially for households in the lowest income brackets.

PAHs with lower incomes and irregular employment fall into the potentially vulnerable groups and should receive special attention within the framework of the ARAP. Therefore, it is essential to ensure adequate compensation, social assistance, and livelihood restoration measures to minimize the socioeconomic impacts resulting from the project's implementation.

5.7. Housing Profile

The housing profile data allows for the analysis of housing conditions in the PAH, providing important indicators about the level of social vulnerability and living conditions in the project's area of influence.

Graphic3: Types of Building Materials



Source: Own elaboration, 2026

The graph confirms the predominance of dwellings built from precarious and semi-permanent materials among the PAHs. Brick/adobe construction is the most frequent category, accounting for 47% of the total dwellings identified. This result highlights the extensive use of local, low-cost materials, a common characteristic in peri-urban and urban expansion areas of the city of Nampula.

Masonry dwellings represent about 20% of the total, while brick/awning constructions account for 17%. This data indicates a relatively smaller proportion of families with more stable, permanent housing, generally associated with better economic conditions. However, adobe blocks are consistent when fired. Some residences are built of unfired adobe, which provides little resistance.

The most basic materials, such as lacquer and zinc sheets, are underrepresented, accounting for 4% and 1% of dwellings, respectively. In turn, the "other" category accounts for approximately 11% and may include mixed constructions or locally used alternative materials.

In general, the results demonstrate that most PAHs live in simple, standard-built housing, indicating relatively modest socioeconomic conditions and limited financial capacity for housing improvements. However, it is important to emphasize that the project does not foresee direct impacts on residences, with impacts mainly concentrated in agricultural areas and on plots of land affected by the implementation of the project's infrastructure.

5.8. Social and Economic Benefits of PAHs

The table presents the social and economic assets in the households affected by the project, enabling an indirect assessment of the socioeconomic conditions, income levels, and access patterns to basic services of the PAHs.

Table11: Social and Economic Benefits of PAHs (incl. multiple answers)

Indicator	Frequency
Automobile	7
Motorcycle	10
Bicycle	9
Television	33
Radio	15
Glacier	15
Gas stove	6
Electric Stove	2
Electric iron	19
Bed with mattress	28
Oil stove	6
Tractor	1
Plow	1
Generator	0
Electric pump / Motor pump	2
Other (specify)	0

Source: Own elaboration, 2026

The data shows that the most frequently purchased items among households are televisions, with 33 units registered, followed by beds with mattresses, with 28 units, and irons, with 19 units. The presence of these items indicates that, despite the economic limitations identified earlier, a significant portion of families have minimal access to household equipment considered essential for family comfort and well-being.

Radios and iceboxes also show a relatively high frequency, with 15 units each. Radios continue to play an important role as the main means of communication and access to information in many families, especially because the project area is peripheral. Iceboxes, in turn, represent an indicator of relatively more favorable economic conditions, since they depend on access to energy and greater financial capacity for acquisition and maintenance.

The motorcycles total 10 units and the bicycles 9 units. These assets have high local economic importance, being used both for family travel and for income-generating activities, for the transport of agricultural products and for access to urban markets and services.

Regarding cooking equipment, 6 households have gas stoves and 2 have electric stoves, demonstrating a still limited access to modern sources of domestic energy. The low prevalence of this equipment suggests that many families remain dependent on wood-based fuels, such as firewood and charcoal, for cooking.

Seven PAHs responded that they own cars, while one owns a tractor and a plow. Although these items are essential goods for families living outside the city, they also represent economic power, considering the socioeconomic conditions of the area.

It is also important to highlight the lack of electric generators among households, which demonstrates limitations in access to alternative energy sources and dependence on the public grid or basic energy solutions.

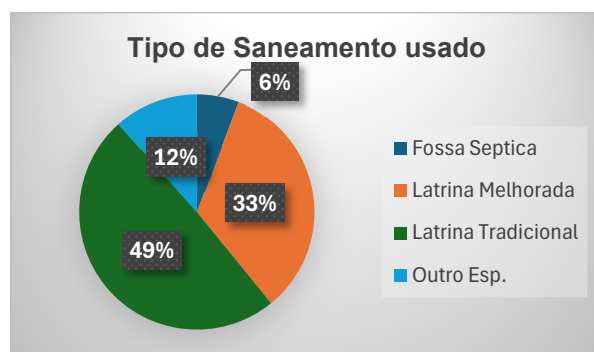
In general, the data reveal a socioeconomic context characterized by low to medium income levels, limited access to goods of greater economic value, and a strong dependence on basic assets for subsistence and mobility. Despite this, some level of asset diversification is observed among households, mainly through small household appliances of greater economic value.

The analysis of these indicators is important within the scope of this ARAP, as it allows us to understand the material conditions of the affected families and to support the definition of compensation and social assistance measures tailored to the local socioeconomic reality.

5.9. Access to Sanitation

The data below present the types of sanitation used by households affected by the project and reveal that sanitary conditions in the area of influence are predominantly basic, with a strong dependence on traditional systems for the disposal of human waste. Of the 77 PAHs, 5 did not answer the question.

Graphic4: Types of Sanitation Used by PAHs



Source: Own elaboration, 2026

Traditional latrines are the primary sanitation system used, representing approximately 49% of PAHs. This result demonstrates the predominance of this type of rudimentary sanitary infrastructure, generally built with precarious materials and lacking adequate waterproofing, which can pose environmental and public health risks.

Improved latrines account for approximately 33% of PAHs, indicating some level of improvement in sanitary conditions in some households. However, coverage of this type of sanitation is still insufficient to meet the needs of the local population.

The use of septic tanks is underrepresented, accounting for only about 6% of primary healthcare facilities, highlighting the limited access to sanitation systems considered more environmentally safe. In turn, systems classified as "Other" account for approximately 12% and may include improvised solutions or alternative methods for disposing of household waste.

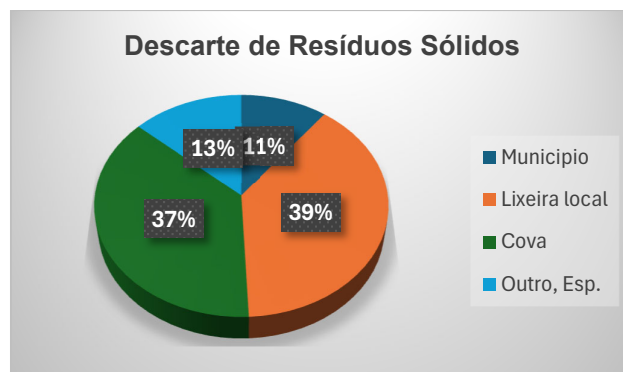
The observed sanitation conditions are particularly relevant in the environmental context of the project area, characterized by sandy soils with high permeability, which are associated with the borehole field that supplies water to the city of Nampula. Under these conditions, the widespread use of traditional latrines and rudimentary sanitation systems, including septic tanks, increases the risk of effluent infiltrating the subsoil and, in turn, contaminating groundwater.

Unplanned urban growth and the expansion of settlements in sensitive aquifer recharge areas could exacerbate the risk of environmental degradation and, in the future, compromise the quality of groundwater resources used for public water supply.

5.10. Urban Waste

The question regarding solid waste disposal methods was answered by 67 out of 77 PAHs. The data demonstrate that the communities covered by the project have predominantly informal and environmentally vulnerable waste management systems.

Graphic5: Solid Waste Disposal Methods



Source: Own elaboration, 2026

Disposing of waste in local dumps is the most common method, recorded in 39% of households. This type of disposal usually occurs in improvised spaces without adequate environmental control, which favors the disorderly accumulation of solid waste in communities.

37% of PAHs responded that the use of pits for waste disposal is also a fairly common practice in the project area. Although this solution is frequently used in rural and peri-urban contexts, the disposal of waste in pits, especially in sandy and highly permeable soils, can promote the infiltration of leachate into the subsoil, contributing to the contamination of groundwater aquifers.

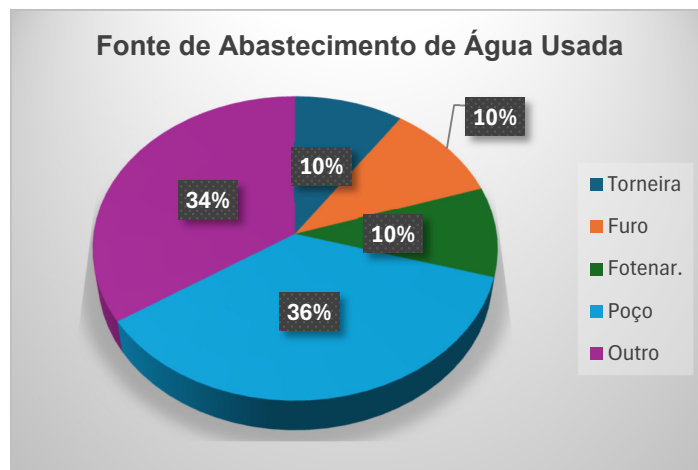
Nine households were also identified that use other unspecified waste disposal methods, which may include open burning, dumping in vacant lots, ravines or waterways. These practices represent potential additional sources of environmental pollution and risks to public health.

Only 7 PAHs indicated that they use municipal waste collection services. This small number highlights the limited coverage of public solid waste management services in the peripheral areas of Nampula City, particularly in the informal urban expansion zones covered by the project.

5.11. Water supply

The graph showing the water supply sources used by the PAHs highlights the population's strong dependence on alternative and informal sources, reflecting the limitations of the conventional water distribution system in the city of Nampula.

Graphic6: Water Supply Sources Used by PAHs



Source: Own elaboration, 2026

Wells constitute the main source of water supply for primary and secondary communities, representing about 36% of the total. This result demonstrates the high dependence of local communities on groundwater, especially in peripheral and urban expansion areas, where access to the public network is limited or irregular.

Sources classified as “Other” represent approximately 34% of responses and may include the use of water from neighbors, informal vendors, rivers, ponds, or other alternative sources of supply. This situation highlights the vulnerability of communities regarding access to drinking water and the need for safer and more sustainable solutions.

In turn, sources of supply via taps, boreholes, and public fountains show similar percentages, each corresponding to approximately 10% of the PAHs. Despite the existence of these infrastructures, the data suggest that the formal supply system is still unable to adequately meet the demand of the local population, forcing families to resort to alternative sources.

The results reinforce the strategic importance of the Nampula City Water Supply System Improvement Project, which could significantly increase access to drinking water, reduce dependence on unsafe sources, and improve sanitation and public health in the communities covered.

However, the heavy reliance on wells and other underground sources also highlights the need to protect local aquifers, especially given the risks posed by inadequate sanitation, uncontrolled urban expansion, and potential groundwater contamination in the borehole field area.

6. POTENTIAL IMPACTS

6.1. Introduction

Development projects are likely to cause environmental and social impacts, with multi-level implications for natural and social systems. To mitigate these impacts, social and environmental management actions are proposed, including planning and implementing involuntary resettlement and compensation measures.

Experience shows that involuntary resettlement in development projects, when not properly mitigated, can pose serious economic, social, and environmental risks. Among these, the following stand out: the dismantling of production systems, the loss of productive assets and sources of income, the impoverishment of affected populations, the weakening of community institutions and social networks, and the reduction in cultural identity, traditional authority, and mechanisms of mutual aid.

To minimize potential impacts, the Nampula City Water Supply System Improvement Project was prepared through an Environmental Impact Assessment (EIA) process, during which potential socioeconomic impacts associated with the project's implementation were identified, including those that could lead to the loss of social and economic assets for the PAHs. As a mitigation measure, this EIA was prepared.

The impacts of the Nampula City Water Supply System Improvement Project are considered localized and of low magnitude, since the planned activities will not involve the physical relocation of homes, social infrastructure, or permanent economic activities.

6.2. Project Activities Leading to ARAP Actions

Activities eligible for compensation include all actions related to construction work in areas designated for the project's implementation. Within the scope of this project plan, activities foreseen for borehole installation, pipeline corridors, and distribution centers were considered.

The main activities include:

- Definitive acquisition of areas intended for drilling, subsequently fenced off to protect the equipment;
- Temporary acquisition of land for the installation of pipelines and other associated infrastructure;
- Construction work for water storage and distribution infrastructure;
- Civil works and installation of pumping equipment and electrical systems;
- Installation of electric transmission lines;

- Opening and improving access routes.

6.3. Identifying the Project's Impacts

The acquisition of land for the implementation of the Water Supply System Improvement Project will result in the temporary and permanent loss of areas currently occupied in good faith by members of local communities, the majority of whom exercise customary rights of use and enjoyment of the land.

The temporary and permanent loss of land is the main factor driving the socioeconomic impacts associated with the project.

The land acquisition will take place in the designated areas:

- to the installation of boreholes and pumping equipment;
- to the 4-meter corridors for the installation of the water supply pipeline;
- to the distribution centers located in the Communal Units of Namiteka, Mapara and Namicopo "B".

6.4. Impacts and Their Evaluation

The main impact of the project will be the loss of livelihoods for the PAHs, resulting from the permanent and temporary loss of land, seasonal crops, and economically valuable plants.

a) The permanent loss of land

According to the project design, 12 PAHs will permanently lose land due to the acquisition of land for the installation of boreholes and associated equipment to support water pumping. An area of 10 x 10 meters will be acquired for each borehole.

Mitigation

PAHs affected by the permanent loss of land will be entitled to the restitution of a plot of land of equivalent size and, whenever possible, with productive conditions equal to or better than those previously used, located in the same community or in an area accepted by the PAP.

b) Temporary loss of land

The temporary loss of land will result from the temporary acquisition of areas intended for the installation of pipelines and the water distribution network. These activities are expected to last less than three months.

No PAHs are living on those lands and the lands will be returned to the PAHs after the pipelines work.

Although the project seeks to avoid direct crop losses, the declaration of the deadline may temporarily restrict PAHs' land use, potentially affecting an agricultural season, depending on the duration of the works.

Mitigation

Once the pipeline installation is complete, the PAHs will be able to return to their cultivation areas.

If the activities extend beyond the planned period or result in the loss of an agricultural season, the PAHs will be entitled to compensation for the losses incurred.

c) Loss of livelihoods - Loss of crops

It is anticipated that the land acquisition will result in the loss of existing seasonal crops in the fields located within the project areas.

Additionally, due to the March 10 and 11, 2026 deadline and uncertainty about the start of construction, PAHs were prevented from expanding or developing new agricultural activities in the affected areas, a situation that could compromise the agricultural season.

The crop inventory process generated expectations and anxiety among the PAHs regarding compensation payments.

Mitigation:

The 77 identified PAHs will be entitled to:

- to the compensation corresponding to the inventoried assets;
- to assistance for the potential loss of the agricultural season;
- to the advance payment of compensation before the start of construction, in accordance with Mozambican legislation and the JICA Guidelines on Environmental and Social Considerations.

The project should ensure that compensation is provided within a reasonable timeframe to allow PAHs to resume their productive activities in the subsequent agricultural season.

d) Loss of livelihoods - Loss of plants

The loss of plants may reduce PAPs' livelihoods, depending on the number, species, economic value, and nutritional importance of the affected trees. All PAPs are eligible for compensation.

PAPs have been identified that will lose plants of different species, all of which are eligible for compensation.

The loss of plants may reduce PAHs' livelihoods, depending on the number, species, economic value, and nutritional importance of the affected trees.

Mitigation:

The affected PAPs will be entitled to:

- to compensation corresponding to the value of the affected species;
- additional assistance measures aimed at restoring livelihoods

6.5. Mitigating the Impacts of the Project

The assessment concludes that the impacts associated with the temporary and permanent loss of land are of low to moderate magnitude, are localized, reversible, and amenable to adequate mitigation.

The evaluation was based on the following factors:

- The temporary acquisition of the land will be of limited duration, estimated at approximately three months;
- After the works are completed, the PAHs will be able to return to the areas they temporarily occupied;
- PAHs affected by the permanent loss of land will be compensated through the restitution of equivalent plots, whenever possible;
- The crops to be affected are seasonal and will be harvested before the works begin;
- PAHs will be given the opportunity to harvest the crops before the works begin, outside of the compensation to which they are entitled;
- Most PAHs utilize more than one farm;
- There is agricultural land available in local communities;
- Compensation and assistance measures were defined to mitigate the loss of the agricultural season and plants.

Although the impacts are considered to be of low magnitude, this ARAP aims to ensure that all losses are adequately mitigated through fair compensation, social assistance, and the restoration of PAHs' livelihoods.

6.6. Category of Impacts and People Affected

The people and entities affected by the project fall into the following categories:

- Permanent loss of land due to definitive acquisition;

- Temporary loss of land due to temporary occupation;
- Loss of agricultural crops;
- Loss of plants and trees of economic value.

6.7. Areas Affected by Compensation

The Land Law Regulations, approved by Decree No. 66/98 of December 8, define the Partial Protection Zones (PPZ) associated with water supply infrastructure, including the protection areas adjacent to pipelines.

The areas affected by the compensation include:

- Areas measuring 10 x 10 meters intended for the installation of boreholes and pumping equipment;
- 4-meter corridors for the installation of the water supply pipes;
- Areas designated for distribution centers.

6.8. Minimizing Resettlement

With a view to minimizing social and economic impacts, alternative project implementation options were analyzed, and the following measures were adopted:

- Implementation of the pipelines outside of densely populated areas;
- Preferential use of public service areas and the margins of access roads;
- Minimizing the sealed areas around the holes;
- Restricting the areas directly affected to those strictly necessary for the implementation of the infrastructure.

The eligibility of the PAHs was based on the proven existence of occupation, productive use, or affected assets up to the established deadline.

Areas with no evidence of productive occupation or recognized use by the deadline may not be considered eligible for compensation, except in duly proven cases.

6.9. Framework for the Development and Implementation of the ARAP

Socioeconomic surveys, an inventory of affected assets, and the identification of PAPs were carried out, activities that enabled the definition of the compensation and assistance measures foreseen in this instrument.

Surveys conducted in April 2026 identified the impact on agricultural areas with seasonal crops and plants of different species.

Under the terms of Decree No. 66/98, of the Land Law Regulations, all bona fide occupants with properties affected by the project were recognized as legitimate holders of customary rights to use and enjoy the land and were eligible for fair compensation for the impacts resulting from the implementation of the project.

This document was prepared in accordance with:

- Decree No. 66/98, of December 8;
- Decree No. 31/2012, of 8 August;
- JICA's Guidelines on Environmental and Social Considerations regarding Involuntary Resettlement.

JICA guidelines recommend developing an ARAP for projects whose social impacts arising from land acquisition, restricted access, or loss of assets are considered limited and do not involve significant physical displacement.

In this project:

- There will be no relocation of housing or social infrastructure;
- The impacts are considered localized and mitigable.
- PAPs will have the opportunity to harvest existing crops before the start of construction;
- Only the possibility of losing one agricultural season is foreseen;
- Appropriate compensation and assistance measures were defined.

Therefore, it is concluded that the identified impacts justify preparing an ARAP rather than a complete RAP, as this is a project with limited social impacts, without physical displacement of households, and with adequate measures for mitigation and the restoration of livelihoods.

7. Eligibility for compensation

7.1. Eligibility Criteria

According to the consultation with the competent environmental authority, SPA Nampula, Regulation on the Resettlement Process Resulting from Economic Activities, approved by Decree No. 31/2012, of August 8, are not applicable for this Project because this Project is not categorized as economic activities nor does cause any human resettlement. The applicable laws and guidelines for this Project are as follows:

- Land Law (Law No. 19/97, of October 1).

- Land Law Regulation (Decree No. 66/98 of 8 December 1998 / Decree No. 1/2003 of 18 November)
- JICA Guidelines on Environmental and Social Considerations.

The legal instruments and guidelines mentioned above establish that Project Affected Persons (PAPs) should benefit from measures that ensure the restoration or improvement of their livelihoods and living standards to levels at least equal to those existing before the project's implementation.

JICA guidelines recognize the following as eligible:

- Formal holders of rights to use and exploit the land;
- occupants with customary rights;
- occupants in good faith;
- Users without formal rights, provided they are identified before the deadline established by the project.

In this context, all PAHs identified during the socioeconomic surveys and asset inventory conducted before the deadline defined by the project are eligible.

7.2. Assets Eligible for Compensation

Within the scope of this ARAP, property is considered to be any area occupied or used by a PAP for productive purposes, namely fields, crops and plants.

The use of the term "property" aims to distinguish the physical assets existing on the land from the land itself, considering that, under Mozambican law, the land is the property of the State and is not subject to sale or direct compensation, with compensation being provided for the assets and improvements existing on it.

Uncultivated land with no evidence of productive use up to the deadline was not considered affected or eligible for compensation, except in duly justified situations recognized during the implementation of the ARAP.

All farms registered during the survey process are eligible for the compensation packages provided for in this instrument.

One of the guiding principles of this ARAP is to ensure that beneficiaries restore or improve their livelihoods and living conditions to levels at least equal to those existing before the project's implementation.

Compensation calculations and related payment processes will be conducted in a transparent, consistent, and equitable manner for all PAPs.

Land-based livelihoods should, whenever possible, be compensated through equivalent land-replacement mechanisms, with support from the Government and the project proponent.

The Government's commitment consists of supporting the identification of alternative areas for PAPs affected by permanent land loss.

This report identified a total of 77 PAHs eligible for compensation. The following table covers the 77 PAHs, which are foreseen to be the entitled persons for the alternative lands and/or compensation.

Table 12: Entitlement Matrix

#	Types of loss	Entitled Persons	Entitlement	Implementation Issues / Guidelines	Responsible body
1	Land loss (Loss of all types of land acquired for the Project purposes)	Legal rights holder of land	- Alternative land proposed by Nampula City (land of equivalent or greater value than the land being lost) - Compensation for crops and trees based on the replacement cost set by the compensation standards of Nampula Province Department of Agriculture	- The location and area of the water pumping station (3,990 m²) have already been decided, so Nampula City is proposing some alternative sites to the entitled persons. They should receive the alternative lands and their title deeds after agreement is reached. - The locations of the 12 production wells (1,200 m² in total) will be determined after the construction company is selected which should complete 18 test boreholes. The entitled persons will, receive the alternative lands and their title deeds after agreement is reached. - For both types of the entitled persons, compensation will be paid in cash based on the replacement cost determined by the standards of Nampula Department of Agriculture for the crops and trees that were cultivated up to that point.	FIPAAS and Nampula City
2	Crop losses (without land loss)	Farmers who cultivate crops	Crop compensation based on replacement cost determined by the compensation standards of Nampula Province Department of Agriculture	- The locations of the 12 production wells (1,200 m² in total) will be determined after the construction company is selected which should complete 18 test boreholes. The entitled persons, who cultivated the crops at that point (i) at 18 test boreholes and (ii) along the route of the water pipes to be buried from the production wells to the public road will receive the compensation in cash based on the replacement cost determined by the Nampula Provincial Department of Agriculture.	FIPAAS
3	Loss of	Legal rights	Compensation	- The locations of the 12 production	FIPAAS

#	Types of loss	Entitled Persons	Entitlement	Implementation Issues / Guidelines	Responsible body
	trees (without land loss)	holder of land / socially recognized tree owners / Unauthorized occupants	for trees based on the replacement cost set by the Nampula Province Department of Agriculture.	wells (1,200 m2 in total) will be determined after the construction company is selected which should complete 18 test boreholes. The entitled persons, who have trees at that point (i) at 18 test boreholes and (ii) along the route of the water pipes to be buried from the production wells to the public road will receive the compensation in cash based on the replacement cost determined by the Nampula Provincial Department of Agriculture.	

Source: Own elaboration, 2026.

7.3. Eligibility for Temporary and Permanent Loss of Land

Surveys conducted in the project area found that PAPs predominantly hold customary rights to use and occupy land for agricultural purposes.

The definitive acquisition will occur in the areas designated for drilling wells and installing the respective pumping equipment, while the temporary acquisition will occur along the pipeline installation corridors and during the execution of the works.

The following categories were identified:

a) Permanent Loss of Land

This corresponds to the definitive acquisition of areas for the installation of 12 water boreholes and related equipment, each measuring 10 x 10 meters, which will subsequently be fenced off.

Twelve PAPs are eligible in this category.

The affected PAPs will be entitled to:

- to the compensation of existing assets;
- to assist in restoring livelihoods;
- to the identification of alternative land, whenever applicable.

b) Temporary Loss of Land

This refers to the temporary occupation of areas necessary for the installation of the water pipeline and distribution network.

After the completion of the works, the PAPs will be able to return to the temporarily affected areas.

77 PAPs are eligible in this category.

b) Temporary Loss of Land

This refers to the temporary occupation of areas necessary for the installation of the water pipeline and distribution network.

After the completion of the works, the PAPs will be able to return to the temporarily affected areas.

77 PAPs are eligible in this category.

Table 13: Distribution of PAPs by Residential Area

Location	Muatala neighborhood		Muahivire neighborhood	TOTAL
	Mapara	Namicopo “B”	Namiteka	
PAPs	9	33	35	77

Source: Own elaboration, 2026

7.4. Eligibility due to Crop and Plant Loss

The loss of crops and plants will result primarily from activities associated with opening the corridor for the installation of the water supply pipeline and other project infrastructure.

The survey of affected assets identified 77 PAHs with crops and/or plants eligible for compensation.

Eligibility was determined independently of the existence of a formal land title, provided that the occupants were identified before the established deadline.

The cultivated areas are predominantly on small farms away from residences, although in some cases they are located near residential areas due to urban expansion.

The size of the affected areas varies between the PAHs, resulting in different levels of impact. However, it is considered that the impacts will be partially mitigated by the possibility that the PAHs will carry out the harvest before the works begin.

The crops surveyed were mostly in the growth phase, and a significant portion of the production is expected to be harvested before construction activities begin.

The table below shows the number of PAHs and their distribution by category.

Table 14: Eligible PAHs by Category

PAHs Category	Number of Eligible PAHs	Number of PAPs
Permanent loss of land	15	86

Temporary loss of land	77	443
Loss of Crops	65	370
Plant Loss	35	199

Source: Own elaboration, 2026

8. RIGHT TO COMPENSATION

8.1. Moratorium

The moratorium is a fundamental mechanism in involuntary resettlement processes, aimed at determining PAHs' eligibility for compensation and assistance.

Within the scope of this ARAP, all persons identified through the socioeconomic census and asset inventories conducted before the deadline (moratorium) is declared are considered eligible, including residents, land users, and owners of affected assets located in the project area.

People who have moved into the project area, developed crops, built structures, or established any other assets after the deadline will not be eligible for compensation, assistance, or any other benefit associated with the resettlement process.

8.2. Definition of Moratorium

The moratorium of this ARAP applies to the areas covered by the activities of the Nampula City Water Supply System Improvement Project, including the Communal Units of Namiteka, Mapara, and Namicopo "B".

All PAHs identified and inventoried by the deadlines established in the community meetings held in the areas affected by the project, which preceded the start of the socioeconomic surveys and asset inventories, are considered eligible for the compensation process.

The deadlines considered were:

- April 10, 2026, for the Mapara and Namicopo "B" Communal Units;
- April 11, 2026 for the Namiteka Communal Unit.

However, the official implementation of the moratorium will need to be supplemented by the relevant local entities and authorities. The updated cut-off date will be set once the final locations of the boreholes are fixed before the borehole construction starts.

8.3. Announcement of Moratorium

The announcement of the moratorium was made during community meetings held in the affected communities, namely:

- in the neighborhoods of Mapara and Namicopo "B", on April 10, 2026;
- in Namiteka, on April 11, 2026.

During the meetings, the communities were informed about:

- the project objectives;
- socioeconomic survey and asset inventory activities;
- the eligibility criteria;
- compensation procedures;
- defining the eligibility deadline.

It was also clarified that any assets, crops, plantations, or occupations established after the deadline would not be eligible for compensation.

The meetings were attended by:

- of the Heads of Administrative Posts;
- of community leaders;
- of the PAHs;
- of community members;
- Representatives from AdRN;
- from the consulting team hired as part of the project.

8.4. PAHs entitled to compensation

This regulation considers all individuals or entities that own tangible or intangible assets located in the areas designated for the implementation of the Nampula City Water Supply System Improvement Project eligible for compensation, up to the established deadlines.

The following areas are considered affected:

- the areas designated for the installation of the 12 water boreholes;
- the pipeline installation corridors;
- areas temporarily occupied by project activities;
- areas potentially affected by auxiliary infrastructure associated with construction.

Eligibility categories include:

- Permanent loss of land;
- Temporary loss of land;
- crop loss;
- plant loss;

- Temporary loss or restriction of access;
- allocation of auxiliary structures and economic activities.

8.5. Right to Compensation for Permanent and Temporary Loss of Land

Under Mozambican law, land is state property and cannot be sold, mortgaged, or seized. Therefore, this agreement does not provide for direct monetary compensation for the land.

However, PAHs affected by the definitive loss of land use will be entitled to:

- to the provision of equivalent alternative areas, whenever possible;
- to the restoration of means of subsistence;
- compensation for assets and improvements existing on the land.

The alternative areas must have equal or better productive conditions and be agreed upon with the PAHs and local authorities.

The PAHs affected by the temporary loss of land will be able to return to their areas after the completion of the works.

If the temporary restriction results in the loss of an agricultural season or makes it impossible to return to agricultural activity in the following season, the PAHs will be entitled to:

- to the corresponding compensation;
- measures to provide assistance and restore livelihoods;
- to the payment of assistance corresponding to the minimum wage in the agricultural sector, as applicable.

8.6. Right to Compensation for Crop and Plant Loss

Compensation for crop and plant losses will be calculated based on:

- in the official tables issued by the Provincial Services of Economic Activities;
- based on the principle of total replacement cost;
- in accordance with applicable national and international guidelines.

All crops and plants inventoried before the deadline will be eligible for compensation.

8.7. Legal Matrix

Within the scope of this ARAP, the following were considered eligible:

1. Users of land subject to temporary or permanent acquisition;
2. Owners of plots of land with crops and/or plants;

3. Owners of plots of land without crops or plants;
4. Heirs of affected farms;
5. Users on loan;
6. Other users legitimately recognized by the communities and local authorities.

The entitlement matrix for this Project was provided under Section 7.2 above.

8.8. Additional Measures for Vulnerable Groups

In accordance with JICA's Environmental and Social Considerations Guidelines, vulnerable groups should benefit from additional assistance throughout the entire ARAP implementation process.

The measures include:

- Priority support in identifying alternative areas;
- targeted social support;
- Specific monitoring of livelihood restoration;
- Facilitating access to compensation;
- Prioritization of temporary employment opportunities within the project.

Vulnerable groups include:

- Households headed by women;
- elderly;
- People with disabilities;
- low-income families;
- people with irregular employment;
- Households in situations of social vulnerability identified during socioeconomic surveys.

However, for the purposes of this ARAP, the following vulnerability groups were considered:

- Households headed by women
- Elderly.

9. PROCEDURES FOR THE COMPENSATION FOR LOSSES

9.1. Introduction

In accordance with the Land Law Regulations, approved by Decree No. 66/98 of December 8, as well as in compliance with the JICA Guidelines on Environmental and Social Considerations for Involuntary Resettlement, the assets affected by the acquisition of land for the implementation of the project must be compensated for their total replacement cost.

Within the scope of this ARAP, assets identified during the socioeconomic surveys and asset inventories conducted with the PAHs, including agricultural crops and other economically valuable plants, were considered eligible for compensation.

The loss assessment process was conducted with the active participation of the PAHs, community leaders, and local authorities in the project's area of influence, ensuring transparency, community participation, and local validation of the information collected.

Before the surveys began, community meetings were held to explain:

- the project objectives;
- the procedures of ARAP;
- the eligibility criteria;
- the methods for evaluating the affected assets;
- the legal principles applicable to compensation.

During the surveys, community leaders provided support for:

- the identification of PAHs;
- Confirmation of the legitimacy of the occupation;
- the location of the affected areas;
- the validation of the inventoried crops and plants

9.2. Loss Assessment Procedures

The loss assessment process followed these steps:

a) Identification of affected areas

The geographical location of the affected properties was determined using GPS, and the areas subject to temporary or permanent acquisition were measured.

In general, it was found that:

- The affected area corresponds to a small portion of the fields;

- In many cases, the affected area represents less than 10% of the total cultivated area;
- The most significant impacts occur in areas adjacent to access roads and corridors designated for pipeline installation.

b) Identification of PAHs

With the support of local authorities and community leaders, the owners, users, and occupants of the affected areas were identified, and they subsequently responded:

- to the socioeconomic questionnaire;
- to the asset inventory;
- to the inventory of the affected assets.

c) Assessment of affected crops

The affected crops were identified and quantified, and the values were calculated based on the information provided by the Provincial Services for Economic Activities of Nampula, taking the following into consideration:

- number of plants;
- area occupied;
- stage of development;
- type of culture.

d) Valuation of plants of economic value

The plants of economic value were evaluated based on the values listed in the lists provided by the Provincial Services for Economic Activities of Nampula, taking into consideration the following:

- specifically;
- approximate age;
- existing quantity;

economic value defined in the provincial compensation tables

9.3. Land

In Mozambique, land is owned by the State and cannot be sold, alienated, mortgaged or seized, as established by Land Law No. 19/97.

In cases of permanent land loss, compensation is not based on the value of the land itself, since it is not a tradable asset. The applicable principle is that of restitution or replacement with another equivalent parcel of land.

The project includes:

- Permanent acquisition of small plots of land for drilling and associated equipment;
- Temporary land acquisition along the corridors intended for the installation of the water supply pipeline and other infrastructure.

In accordance with the law, permanent loss will not be directly compensated in monetary terms.

Thus, the temporary or permanent loss of land will be mitigated by means of:

- the provision of equivalent alternative areas;
- restoring productive conditions;
- for the restoration of the livelihoods of the PAHs.

The replacement areas should:

- to possess equivalent or superior productive conditions;
- to locate oneself, whenever possible, within the communities of the PAHs;
- to be accessible and accepted by the affected families.

However, it is acknowledged that some areas of the project have limited space available for the complete replacement of the affected land, due to:

- to urban expansion;
- to pressure on land use;
- to the already existing agricultural occupation.

9.4. Crops and Plants

In Mozambique, compensation for crop and plant losses is calculated based on official provincial tables approved by SPAE.

The tables take into account:

- the replacement cost;
- the production cycles;
- average productivity;
- the prices charged locally.

In Nampula Province, the last official update of the compensation tables occurred in 2025, and this is the reference currently used in involuntary resettlement processes.

Although local authorities acknowledge the differences between the listed prices and the prices currently practiced in the market, the officially valid price list was chosen in order to:

- to ensure institutional compliance;
- to ensure uniformity in compensation processes;
- to avoid conflicts of interpretation in future proceedings.

This ARAP therefore adopts the official tables issued by the competent provincial authorities, without applying additional inflationary adjustments.

The table below shows values for crop compensation:

Table 15: Crop Compensation Values

Type of Culture	Unit	Amount Due (MZN)
Cassava	Un	42.00
Yam	Un	48.00
Sweet potato	m2	54.00
Potato-reno	m2	80.00
Rice	m2	70.00
Corn	m2	76.50
Mapira	m2	60.00
Mexoeira	m2	57.00
Peanut	m2	70.00
Sesame	m2	68.00
Beans	m2	44.55
Butter Beans	m2	49.50
Sunflower	m2	52.25
Castor oil	m2	54.00
Vegetables in a nursery	m2	330.00
Vegetables in production	m2	210.00
Watermelon	m2	90.00
Pumpkin	m2	120.00
Tobacco	m2	21.00
Sisal	m2	50.00
Cotton	m2	49.50
Sugar cane	m2	48.00
Eucalyptus	m2	250.00

Source: Compensation Table for the Province of Nampula

The table below refers to the updated values for plant compensation:

Table 16: Compensation Values for Plants

Type of Culture	Unit	Plant Type and Amount to Pay (MZN)		
Cashew tree	Un	1,680.00	3,060.00	991.80

Type of Culture	Unit	Plant Type and Amount to Pay (MZN)		
<i>Hose</i>	<i>Un</i>	760.00	1,064.00	405.00
<i>Banana tree</i>	<i>Un</i>	360.00	410.40	N/A
<i>Citrus fruits</i>	<i>Un</i>	870.24	1,108.80	510.00
<i>Litcheira</i>	<i>Un</i>	1,684.80	2,376.00	800.63
<i>Pear/Avocado Tree</i>	<i>Un</i>	580.00	1,007.50	324.18
<i>Papaya tree</i>	<i>Un</i>	594.00	1,242.00	340.20
<i>Coconut tree</i>	<i>Un</i>	1,127.00	3,010.00	901.12
<i>Guava tree</i>	<i>Un</i>	598.50	1,009.82	368.64
<i>Ateira</i>	<i>Un</i>	529.20	960.00	264.63
<i>Passion fruit</i>	<i>Un</i>	544.00	960.00	266.20
<i>Vine</i>	<i>Un</i>	446.25	1,271.25	329.45
<i>Peach</i>	<i>Un</i>	547.50	1,200.00	413.34
<i>Pineapple</i>	<i>Un</i>	68.00	186.40	40.00
<i>Strawberry</i>	<i>m2</i>	51.20	115.20	50.00
<i>Handle</i>	<i>Un</i>	540.00	1,323.00	487.62
<i>Jamboloeiro</i>	<i>Un</i>	573.30	1,354.50	346.50

Source: Compensation Table for the Province of Nampula

10. COMPENSATION PLAN

10.1. Land Replacement

The Land Law, Law No. 19/97 of October 1, establishes that, in Mozambique, land is the property of the State and cannot be sold, alienated, mortgaged, or seized. In accordance with the provisions of national legislation, this Agreement does not provide for monetary compensation for the loss of the Right of Use and Benefit from Land (DUAT), whether permanent or temporary.

All PAHs identified as eligible for land replacement will have access to plots equal in area to the land temporarily acquired under the Project implemented by FIPAAS and AdRN. The replacement areas should, whenever possible, have similar access conditions, agricultural suitability, and location, close to the previously used farms.

10.2. Crop and Plant Compensation Assessment

The assessment of crop and plant compensation was carried out using the compensation tables officially approved by the Province of Nampula, taking into account the replacement costs and production levels of the affected species.

For plants in the productive phase, the values corresponding to full production were applied. Additionally, it was considered that each affected plant should be replaced with two seedlings of the same species to ensure replacement and continuity of production at a new planting location.

The crops eligible for compensation total MZN 247,879.00. The lowest individual compensation amount is MZN 186.00, while the highest is MZN 12,654.80. Cassava represents the crop with the greatest economic impact, totaling MZN 89,838.00.

Table 17: Compensation Values by Crop Species for PAHs

Species of Crops	The Value of Culture
Cassava	89,838.00
bean	56,022.00
Hotaliças	28,050.00
Rice	35,035.00
Corn	7,956.00
Mapira	300.00
sesame	1,320.00
Mexoeira	741.00
Tomato	12,327.00
Peanut	16,170.00
Pumpkin	120.00
Total	247,879.00

Source: Own Elaboration 2026

The plants eligible for compensation total MZN 197,567.50. The lowest individual compensation amount is MZN 480.00, while the highest is MZN 28,287.50.

Table 18: PAHS Compensation by Plant Species

Plant Type	Total value/Species
Sweet potato	3,348.00
Cashew tree	50,940.00
Banana tree	114,811.00
Hose	12,464.00
Papaya	4,320.00
Handle	540.00
Sugar cane	10,546.00
Guava tree	598.50
TOTAL	197,567.50

Source: Own elaboration, 2026

10.3. Additional Provisions for Disturbances in the Subsistence and Assistance of PAHs

The impacts of the Project are considered to be of low magnitude, as they do not involve physical displacement of PAHs. Additionally, it is anticipated that the affected families will be able to harvest a substantial portion of their existing agricultural production before construction begins.

However, it is recognized that temporary interruptions to agricultural activities and limitations on access to cultivation areas may occur during the project implementation period, potentially affecting the 2026/27 agricultural season in part.

In accordance with the JICA Environmental and Social Guidelines, PAHs are eligible for supplementary assistance to mitigate temporary impacts on livelihoods and inconveniences arising from the Project's implementation.

Assistance is justified due to the following factors:

- Temporary loss of access to the fields;
- Temporary interruption of agricultural activities;
- Possible partial loss of an agricultural season;
- The need to reorganize production activities;
- The time interval between the declaration of the moratorium and the actual start of the works;

- Situations of anxiety and uncertainty associated with the temporary restriction of land use.

The assistance allowance will be equivalent to the minimum wage in the agricultural sector, amounting to MZN 7,072.00, and will be paid before the start of the works.

Regarding the plants, a higher level of disturbance is expected in banana plantations, which constitute the most economically significant species among the affected plants, totaling MZN 114,811.00, distributed among 9 PAHs. Given that banana plants can be transplanted to other locations, an additional subsidy of MZN 2,000.00 per PAH will be available to support their removal and replanting.

Table19: PAHs eligible for Assistance through ARAP Actions

Assistance	PAHs	Value/PAH	TOTAL MZN
Assistance after 1 year of disorders.	66	7,072.00	466,752.00
Bananas tree Movement	9	2,000.00	18,000.00
Seeds		150,000.00	150,000.00
Bananas tree Replanting		200,000.00	200,000.00
TOTAL Assistance			834,752.00

Source: Own elaboration, 2026

As a complementary measure to restore livelihoods, climate-resistant seeds will be distributed, prioritizing species that are more adapted and more widely available in Nampula Province.

Additionally, the PAHs will receive seedlings equal to the number of affected plants. In cases where no seedlings of the same species are available, an alternative species will be agreed upon with the PAH for restitution. PAHs eligible for plant compensation will also receive five additional seedlings of species with high availability in the local market.

10.4. Additional Provisions for Vulnerable Groups

The socioeconomic study identified PAHs in vulnerable situations, considering factors such as advanced age, widowhood, and female head of household. However, it was also found that the general socioeconomic conditions of the affected communities are poor, justifying the universal provision of supplementary assistance to PAHs.

In this context, all PAHs will be eligible for additional vulnerability assistance, as a preventive measure of social protection and to strengthen the economic recovery capacity of affected families.

Groups consisting of elderly people, widows, and female heads of household may benefit from specific additional assistance, particularly in accessing replacement areas, preparing new agricultural areas, and re-establishing productive activities.

Each PAH will receive a subsidy corresponding to the minimum wage in the agricultural sector, amounting to MZN 7,072.00. The support will cover a total of 66 PAHs.

10.5. Preference for Local Labor

It is anticipated that, during the construction phase, the Project will generate employment opportunities for semi-skilled and unskilled labor, prioritizing the hiring of workers from communities within the Project's direct area of influence. Whenever possible, the hiring of skilled local labor should also be encouraged.

As a measure to mitigate the socioeconomic impacts of the temporary restriction on access to agricultural areas, the Project should prioritize hiring PAHs for activities that align with their profiles and qualification levels, especially in roles that do not require technical specialization. This measure aims to help maintain the livelihoods of affected families and reduce their economic vulnerability during the Project implementation period.

Following the awarding of the contract, the Contractor must be formally informed of the obligation to prioritize the hiring of local labor. Recruitment needs must be communicated to the Project's community management and public affairs structures for subsequent dissemination to the Communities Affected by the Project (CAPs).

Community leaders should support the identification and registration of potential candidates from PAHs (Primary Care Areas) and local communities. Community management bodies should also establish transparent and inclusive recruitment mechanisms to prevent discriminatory practices, undue favoritism, or other irregularities in the hiring process.

Communities should be properly informed about recruitment criteria, the number of vacancies available, professional categories, and application procedures. It is also recommended that job opportunities be distributed equitably among the affected communities to ensure equal access and participation.

10.6. Payment of Compensation

The compensation payment procedures will be conducted by a commission made up of representatives from Community Leaders, local administrative authorities, the Implementation Consultant, FIPAAS, and AdRN, under the coordination of the latter, as the entities responsible for implementing the ARAP, in close coordination with the Municipality of Nampula City.

Payment procedures should be widely disseminated to PAHs through community meetings and awareness sessions, in which clear information will be provided on eligibility criteria, payment methods, required documentation, and complaint mechanisms.

Before payments begin, the ARAP implementation team will reassess the affected assets and their respective compensation amounts, with oversight by the Project Proponent. After confirmation of the data and eligibility matrices, payments will follow these procedures:

Step 1: Opening and defining payment methods

Monetary compensation will be made exclusively by electronic transfer, through a bank account or mobile wallet indicated by PAH. No cash payments will be made as a security and transparency measure.

To this end, the Project will assist PAHs in opening bank accounts or mobile wallets, taking into account the following aspects:

- Freedom of choice between bank payment or mobile wallet (M-Pesa, E-Mola or M-Cash);
- Assistance with acquiring and registering SIM cards and creating mobile accounts;
- Assistance with opening bank accounts;
- Raising awareness about the safe use of electronic payment methods;
- Support for PFAC (Personalized Financial Aid Companies) experiencing difficulties accessing or using financial services.

Step 2: Defining the calendar and documentation

An official payment schedule will be established, specifying the dates, locations, and documentation required to collect or confirm receipt of funds. The PAHs will be notified in advance through appropriate community channels.

Step 3: Making the payments

Payments will be made in a single installment, in accordance with the agreed amounts and as set out in the approved compensation matrices. Each payment will be formalized through a receipt signed by the beneficiary PAH and the witnesses present at the transaction.

A copy of the PAH's identification document will be attached to the payment receipt. All process records will be organized and archived in a Project database for audit and monitoring purposes.

Step 4: Post-payment verification

After the payments are completed, a verification will be conducted to confirm that all PAHs have received the full amounts specified in the ARAP and that there are no outstanding compensation claims.

11. BUDGET FOR THE IMPLEMENTATION OF THE

11.1. Costs of Implementing ARAP

The estimated budget for implementing the ARAP is MZN 1,804,595.63, including compensation, assistance measures, and contingency provisions.

The estimated minimum individual compensation amount is MZN 180.00, plus the vulnerability allowance, for a total of MZN 7,258.00. The estimated maximum amount is MZN 40,657.00.

The values presented were calculated based on the reference prices applicable to the period of 2026. If the compensation process is not completed within that period, the amounts will be updated in accordance with prevailing economic conditions.

Table20: Budget Proposal for the Implementation of ARAP

ID	ITEM	TOTAL (MZN)
1	Crops	247,879.00
2	Plants	197,567.50
3	Assistance for Loss of Agricultural Season	466,752.00
4	Assistance in the banana tree relocation process.	18,000.00
5	Assistance to Vulnerable AFAPs	438,464.00
6	Disturbance Allowance - Seeds	150,000.00
7	Disturbance Allowance - Seedling	200,000.00
Subtotal		1,718,662.5
8	Contingencies 5%	85,933.13
TOTAL		1,804,595.63

11.2. Restoration of Life and Means of Assistance

The impacts of the Project on crop losses are considered to be of low magnitude, since most of the crops in the affected areas are from the current agricultural season. With the adjustment of the construction schedule, it is expected that the Project Authorities for Agricultural Production will have the opportunity to harvest before the mobilization of the construction fronts.

Therefore, the Project should not cause significant losses in agricultural production nor lead to impoverishment of the affected families. The main expected impact relates to the temporary restriction of access to cultivation areas.

Nevertheless, the ARAP establishes complementary measures to ensure the restoration and strengthening of the livelihoods of PAHs, including:

- Guarantee of fair and timely payment of compensation;
- Making replacement land available in a timely manner;
- Return of the temporarily occupied areas after the completion of the works;

- Prior notification is required for the removal of goods and harvesting of crops;
- Prohibition on starting construction before payment of the corresponding compensation.

a) Distribution of Agricultural Kits

As a measure to support the restoration of the productive capacity of the affected families, the Project will provide agricultural seeds resistant to local climatic conditions, as well as fruit tree seedlings for planting in areas chosen by the PAHs.

Each PAH may select up to three seed types, based on the species with the greatest adaptability and availability in the region. The Project must also ensure the necessary technical assistance for the proper use of the distributed inputs.

b) Integration of Unskilled Labor in the Construction Phase

Hiring local labor during the construction phase is an important measure to support economic restoration and strengthen the livelihoods of PAHs.

Job opportunities should prioritize PAHs and their immediate family members who are able to work, especially for activities that do not require specialized qualifications. The dissemination of job openings should be transparent and accessible to the affected communities.

In addition to generating temporary income, the job will provide the opportunity to acquire professional experience and skills that can contribute to future job opportunities and improve the socio-economic conditions of the beneficiary families.

11.3. Assistance Resources

The ARAP implementation process provides complementary assistance to PAHs to support the management of compensation and the restoration of living and subsistence conditions.

Assistance for Temporary Interruption of Agricultural Activities

Considering the possibility of temporary interruption of agricultural activities, PAHs may benefit from assistance equivalent to the minimum wage in the agricultural sector, whenever the need for additional support is justified during the period of implementation of the works.

Assistance with opening an account

The Project will provide support to PAHs in opening and using bank accounts or mobile wallets, including:

- Information about account types and transaction costs;
- Raising awareness about the safety and proper use of financial services;

- Assistance in obtaining necessary documentation;
- Practical assistance during the registration and activation process.

Whenever possible, the Project should negotiate fee reductions or waivers with financial institutions and mobile operators.

Assistance with money transfers

PAHs in vulnerable situations, especially the elderly or people with mobility limitations, may benefit from additional support for travel and the use of financial services.

Raising awareness for the proper use of compensation.

Before payments are made, awareness campaigns will be promoted to encourage the responsible use of compensation funds, promoting their application to family sustenance, improving living conditions, and strengthening families' economic activities.

The Project Proponent, in coordination with Local Authorities and Community Leaders, will be responsible for carrying out these financial literacy and social awareness activities.

12. ENTITIES' RESPONSIBILITY FOR IMPLEMENTING ARAP

The implementation of a project involving compensation and assistance actions for Persons PAHs requires the coordinated participation of various institutions, from the planning and identification of those affected to the implementation of compensatory measures, monitoring, and closure of the process.

In this context, FIPAAS and AdRN, as Project Proponents, assume full responsibility for the preparation, coordination, financing and implementation of this ARAP, ensuring that all activities are conducted in accordance with applicable Mozambican legislation and the JICA Environmental and Social Guidelines.

It is important to note that this Project does not foresee the physical relocation of the PAHs and therefore does not include the residential resettlement component. The planned interventions focus primarily on compensation and assistance for temporary loss of access to land and its impact on economic and productive assets. Thus, the institutional framework for this ARAP was structured to align with the nature of the identified impacts and the objectives of restoring PAHs' livelihoods.

12.1. FIPAAS and AdRN

FIPAAS and AdRN, as Project Proponents, will be responsible for overall coordination of the ARAP implementation process and for ensuring the necessary financial, technical, and institutional resources to properly execute all planned activities.

It is the responsibility of FIPAAS and AdRN:

- a) To guarantee the acquisition of goods and services necessary for the implementation of the ARAP;
- b) Coordinate and monitor all activities related to the compensation and assistance process for PAHs;
- c) Ensure the preparation and submission of progress and monitoring reports, in accordance with the implementation schedule;
- d) Ensure that the implementation of the ARAP respects the social, cultural, and economic practices of the affected communities;
- (e) Ensure compliance with applicable Mozambican legislation and the JICA Environmental and Social Guidelines;
- f) Coordinate institutional engagement with Local Governments, Traditional Authorities and other stakeholders;

- (g) To convene and participate in coordination, monitoring, and supervision meetings for the implementation process;
- h) Implement and manage the Complaints and Suggestions Management Mechanism in a transparent, accessible and efficient manner;
- i) Establish mechanisms for continuous monitoring and evaluation of the ARAP implementation process;
- j) Ensure compliance with the implementation schedule and obligations undertaken under the PAHs;
- k) Monitor and evaluate the performance of the entities involved in the implementation;
- l) Ensure the implementation of measures to restore livelihoods;
- m) To enter into legally binding compensation agreements with eligible PAHs;
- n) Guarantee the full and timely payment of the compensation and assistance provided for in the ARAP;
- o) Ensure the availability of the financial resources necessary for the full implementation of the ARAP.

12.2. Municipality of Nampula

The municipal entities responsible for implementing the Project must ensure that the ARAP is implemented in compliance with applicable legislation and the principles of good governance and community participation.

The following is the responsibility of the Municipality:

- a) To facilitate coordination between the Project, Community Leaders, and the affected communities;
- b) To request and provide clarifications related to the ARAP implementation process;
- c) To oversee the implementation of compensation and assistance activities;
- d) To support the management and resolution of conflicts and complaints;
- e) Monitor and provide technical assistance in the ARAP implementation process;
- f) To raise awareness among PAHs about their rights, duties, and procedures within the process;
- g) To assist in the organization and validation of the documentation for the PAHs and the assets involved;

- h) Cooperate in managing situations of social tension, misinformation, and other constraints related to the process;
- i) Participate in the operationalization of the complaints management mechanism;
- j) To support community mobilization activities and the dissemination of information relating to the compensation process.

12.3. Community Leadership Members from the Project Area

Community leaders play a key role in implementing the ARAP project, serving as the main link among the project, affected communities, and local authorities.

Your responsibilities include:

- a) To mobilize and raise awareness among communities about the ARAP implementation process;
- b) To participate in the consultation, monitoring and oversight activities of the process;
- c) To raise awareness among PAHs about their rights and obligations;
- d) Report any irregularities identified during implementation to the relevant authorities;
- e) Participate in the asset and socioeconomic surveys of the PAHs;
- f) To assist in the identification and validation of eligible PAHs;
- (g) Facilitate communication between the communities and the ARAP implementation team;
- h) Receive, register, and forward complaints from PAHs;
- i) Participate in conflict resolution processes;
- j) To witness the compensation payment processes;
- k) Participate in the monitoring and evaluation activities of the implementation of ARAP.

12.4. Implementing Entity of ARAP

The entity responsible for the operational implementation of the ARAP, representing FIPAAS, will execute and monitor all activities foreseen in the Plan, ensuring compliance with the principles established in this document.

Given that the identified impacts are essentially associated with asset compensation and assistance to PAHs, there is no foreseeable need to implement a physical resettlement.

The Implementing Entity is responsible for:

- a) To guarantee adequate technical, logistical, and operational conditions for the implementation of the ARAP;

- b) Implement the compensation and assistance programs foreseen in the Plan;
- c) Ensure effective coordination with all entities involved in the process;
- d) Prepare and submit periodic progress reports to FIPAAS;
- (e) Participate in meetings and coordination sessions convened by the competent authorities;
- f) Manage and monitor the complaints and conflict resolution system;
- g) Facilitate all activities necessary to ensure proper compliance with the ARAP.

13. GRIEVANCES REDRESS MECHANISM

13.1. Introduction

Ministerial Diploma No. 156/2014 of 19 September establishes that persons affected by projects involving physical and/or economic displacement must have access to effective mechanisms for submitting grievances and complaints. The Diploma further requires that the grievance mechanism establish clear timeframes for the sustainable resolution of grievances, recommending, for example, a maximum period of three weeks and providing access to the judicial system as the final avenue for appeal.

In compliance with these provisions, the present Grievance Redress Mechanism (GRM) aims to provide an accessible, transparent, and effective platform for PAHs and other stakeholders to raise concerns, complaints, or grievances related to Project implementation.

The GRM also serves as a tool for conflict prevention and resolution between the Project Proponent and affected parties, ensuring that grievances are reviewed and addressed fairly and in a timely manner.

Specifically, the GRM aims to:

- Enable PAHs and other stakeholders to submit concerns, grievances, complaints, and suggestions related to the Project;
- Ensure that grievances are handled in a transparent, impartial, and participatory manner;
- Promote consensual and sustainable solutions to conflicts arising from Project implementation;
- Strengthen trust and dialogue between the Project, affected communities, and other stakeholders.

13.2. Guiding Principles

The mechanism is based on the following principles:

- **Accessibility:** All stakeholders may submit grievances free of charge;
- **Transparency:** Procedures and response timelines will be widely disclosed;
- **Confidentiality:** The identity of complainants will be protected whenever requested;
- **Impartiality:** All grievances will be assessed objectively and independently;
- **Timeliness:** Grievances will be addressed within the established timeframes;
- **Participation:** Complainants will be involved throughout the grievance resolution process.

13.3. GRM Procedures

The grievance submission and resolution process consists of the following steps:

i. Information Disclosure

FIPAAS will provide information on the GRM to all stakeholders during public consultation and community awareness meetings. This information will include contact details of the personnel responsible for receiving and managing grievances, the available submission channels, and the applicable response timelines.

ii. Establishment of Grievance Channels

To ensure accessibility, FIPAAS will establish various grievance submission channels, including:

- A grievance box located at the neighborhood administrative office;
- A grievance register available at the FIPAAS/AdRN regional offices in Nampula;
- An email address and/or digital platform for online submission of grievances;
- In-person submission of grievances at FIPAAS/AdRN offices;
- Telephone contacts of the officials responsible for the GRM.

These channels will remain available throughout the construction phase and during the first two years of the Project's operational phase.

iii. Receipt and Registration of Grievances

Upon receipt, each grievance will be recorded in a dedicated database and assigned a reference number to facilitate follow-up and tracking. An acknowledgment of receipt will be issued to the complainant.

iv. Review and Assessment

FIPAAS will review the grievance and, where necessary, consult relevant entities, including local authorities, community structures, technical specialists, and Project representatives, in order to obtain additional information and assess possible corrective measures.

v. Initial Response and Proposed Resolution

Within a maximum period of two (2) weeks from receipt of the grievance, FIPAAS will communicate the results of the preliminary assessment and provide a proposed solution or corrective action to address the issue raised.

vi. Complainant Feedback

Upon receiving the proposed resolution, the complainant will have up to two (2) weeks to indicate acceptance, provide additional comments, or request further clarification.

vii. Grievance Closure and Reporting

If the proposed solution is accepted, the grievance will be considered resolved and the case will be formally closed. All records will be maintained for monitoring and auditing purposes.

FIPAAS will periodically report to JICA and the relevant authorities on the number of grievances received, the nature of issues raised, the actions taken, and the status of grievance resolution. The report concerning each grievance shall be completed within a maximum period of one (1) month from the date of submission.

13.4. Grievance Escalation Process

If the complainant is not satisfied with the proposed resolution, the grievance may be escalated through the following levels:

1. Project Grievance Management Committee;
2. Local Administration or Municipality;
3. Relevant Government Authorities;
4. Judicial System of the Republic of Mozambique.

Access to the judicial system shall not be restricted by the operation of the GRM and may be pursued by the complainant at any stage in accordance with national legislation.

13.5. GRM Monitoring

Implementation of the mechanism will be monitored through the following indicators:

- Number of grievances received;
- Number of grievances resolved;
- Average resolution time;
- Percentage of grievances resolved within the established timeframe;
- Number of grievances escalated to higher levels;
- Degree of complainant satisfaction with the adopted resolutions.

The figure below presents the flowchart of the Grievance Redress Mechanism and its implementation structure.

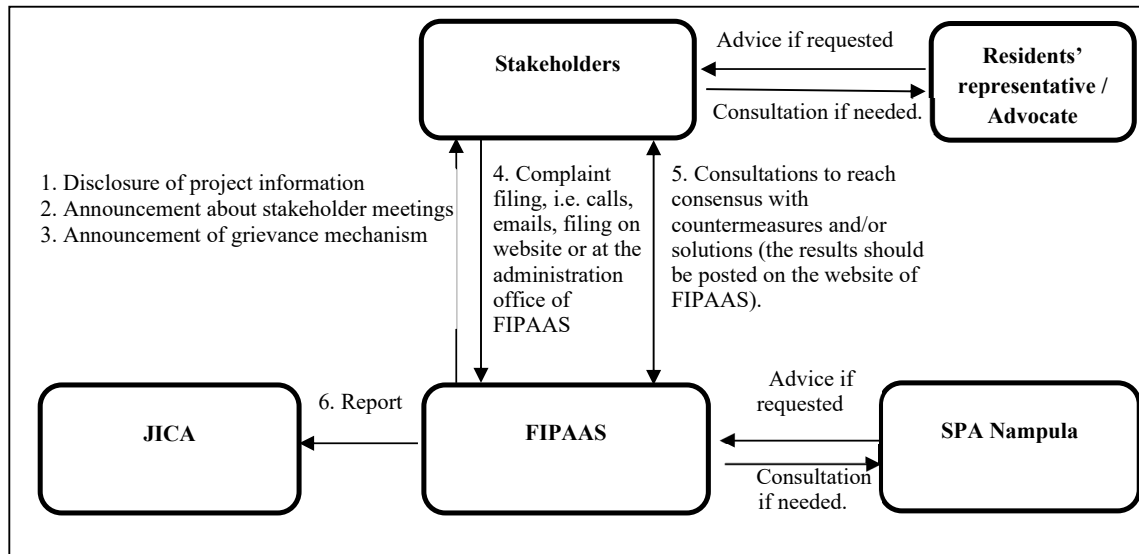


Figure 1 Grievance Mechanism and its Implementation Structure

14. MONITORING AND EVALUATION

14.1. Objectives

The main objective of monitoring is to provide the Project Proponent with regular and systematic information on the progress of ARAP implementation, enabling the timely identification of constraints, risks, deviations, and successes, and the adoption of appropriate corrective measures.

Monitoring and evaluation should also ensure that PAHs recover, at a minimum, the living conditions and livelihoods that existed before the Project's implementation, in accordance with applicable Mozambican legislation and the JICA Environmental and Social Guidelines.

To this end, qualitative and quantitative assessments will be carried out of the compensation, assistance, livelihood replacement, and social impact management processes associated with the Project.

The Project Proponent must establish a monitoring and reporting system that allows for:

- To provide periodic updates on the implementation of the ARAP and on all matters relating to compensation, assistance and replacement of livelihoods;
- Identify pending complaints, conflicts, or problems that require further intervention or escalation to higher levels;
- Document the completion of compensation and assistance processes, including permanent and temporary losses resulting from the implementation of the Project;
- Verify that all PAHs have been compensated in accordance with the criteria and procedures defined in the ARAP;
- To assess the effectiveness of the mitigation and assistance measures implemented;
- Identify additional support needs, especially for vulnerable groups;
- To ensure full compliance with the commitments undertaken by the Project.

14.2. Monitoring and Evaluation Plan and Indicators

The monitoring will encompass analysis of the resources mobilized (inputs), implementation processes, results achieved, and the impacts associated with compensation, assistance, and livelihood restoration activities.

The main monitoring indicators are presented in the following table.

Table21: Monitoring indicators

Aspect	Indicators
Methods and Strategies for Implementing ARAP	• Methodologies and strategies adopted for the implementation of ARAP's activities; • Number of activities implemented in accordance with the schedule; • Lessons learned and documented recommendations for process improvement.
Disbursement of Funds	• Total number of eligible PAHs; • Percentage of compensated PAHs; • Meeting payment deadlines; • Number of PAHs who have not yet received compensation; • Amounts disbursed by the Project
Complaint Resolution	• Existence and functioning of the Grievance Redress Mechanism (GRM); • Number of complaints received;

	• Number of complaints resolved at the local level; • Number of pending complaints; • Number of complaints referred to the courts; • Average complaint resolution time; • Number of awareness sessions held on the GRM
Public Participation	• Number of public meetings held; • Level of community participation; • Participation of local authorities and civil society; • Inclusion of vulnerable groups in participatory processes.
Restoration of Livelihoods	• Number of PAHs receiving assistance; • Number of PAHs integrated into job opportunities; • Number of PAHs benefiting from seeds and seedlings; • Evidence of the resumption of productive and agricultural activities.
Assistance to Vulnerable Groups	• Number of vulnerable PAHs assisted; • Type of assistance provided; • Level of satisfaction of vulnerable PAHs with the support received.

The following methods will be used to collect monitoring and evaluation data:

- Applying questionnaires to PAHs;
- Consultation and analysis of relevant documentation related to the Project and the PAHs;
- Conducting community consultations;
- Discussions in focus groups;
- Interviews with key informants, including community leaders, PAH representatives, local authorities, and contractors;
- Field visits and direct observation;
- Review of previous monitoring reports;
- Documentary verification of payments, compensations, and assistance measures implemented.

The consultations will include:

- Regular meetings with the PAHs;
- Community listening sessions;
- Meetings with vulnerable groups;
- Meetings with government institutions and civil society organizations.

14.3. Responsibilities

The responsibilities related to monitoring ARAP are presented in the table below.

Those responsible for monitoring ARAP

Table22: Those responsible for monitoring ARAP

Institution	Functions
Proponent of the Nampula Water Supply System Improvement Project	• Provide operational guidance for monitoring; • Approve the monitoring reports; • To provide the necessary human and financial resources; • Coordinate and supervise the monitoring process; • Maintain a file of the reports produced; • Communicate the monitoring results to the relevant authorities; • Coordinate with the contractor and other entities involved.
Administrative post	• Support the monitoring process;

	• Provide relevant information about the implementation of ARAP; • Participate in identifying challenges and lessons learned.
Neighborhood Secretariat	• To support community monitoring of the process; • To facilitate the collection of local information; • Participate in the social monitoring of the implemented activities.
Social Specialist	• Conduct field monitoring activities; • Prepare monitoring reports; • To monitor the implementation of social and assistance measures; • To support the resolution of complaints and conflicts.
Independent Consultant	• Conduct independent assessments of the implementation of ARAP; • Produce external evaluation reports; • To verify compliance with the objectives and commitments of the ARAP.

Source: Author's own elaboration, 2026

14.4. Reports

The monitoring process should generate periodic reports documenting the progress of ARAP implementation, the results achieved, the constraints identified, and the lessons learned.

Reports should be prepared from the start of compensation and assistance-related activities until the full completion of the ARAP implementation process.

The reports will be submitted to the Project Proponent and shared with relevant entities and stakeholders, as applicable.

Table23: Monitoring reports

Report	Frequency	Responsibility	Recipients	Content
Monitoring Report	Monthly	Social specialist	Proponent and relevant stakeholders	• Progress in the implementation of ARAP; • Status of payments and assistance; • Status of complaints; • Activities performed; • Constraints identified; • Corrective measures adopted; • Minutes of community meetings and consultations.
ARAP Completion Report	One time only. Up to three months after resettlement.	Social specialist	Proponent and relevant stakeholders	• Overall assessment of the implementation of ARAP; • Confirmation of the completion of compensation and assistance; • Degree of achievement of the objectives of the ARAP; - Lessons learned and recommendations.
External Evaluation Report	Unique – starting six months after completion of the ARAP	Independent consultant	Unique – starting six months after completion of the ARAP	• Independent assessment of the impacts of ARAP; • Sustainability of the measures implemented;

Report	Frequency	Responsibility	Recipients	Content
				- Assessment of livelihood restoration; - Recommendations for future projects.

Source: Own elaboration, 2026

14.5. Monitoring Form

The monitoring form for environmental and social issues is integrated into the Project Monitoring Plan.

Given that compensation and restoration processes must be completed before construction begins, a specific form will be used to monitor economic resettlement and compensation activities during the pre-construction period.

The main aspects to monitor include:

- Approval of the compensation budget;
- Payment of compensation;
- Implementation of assistance measures;
- Resolution of complaints;
- Restoration of livelihoods;
- Completion of the replacement processes and settlement of social obligations.

Table24: Resettlement Monitoring Form

No.	Item	Indicator	Implementing Agency	Supervisory Body
1	Approval of the compensation budget	Formal resolution approved	AdRN / FIPAAS	Ministry of the Environment
2	Payment of compensation	Number of PAHs assisted	AdRN / FIPAAS	Municipality / Local Authorities
3	Implementation of assistance measures	Number of PAHs assisted	ARAP Implementation Team	Supervisory Entities
4	Resolution of complaints	Number of complaints resolved	Social Specialist	Municipality / SPAE
5	Restoration of livelihoods	Evidence of the recovery of economic activities.	FIPAAS / Consultant	Competent Authorities

Source: Own elaboration, 2026

15. IMPLEMENTATION

15.1. Introduction

The implementation of the ARAP will be conducted in a participatory, transparent, and inclusive manner, ensuring that all PAHs receive the compensation and assistance foreseen before occupying the areas affected by the Project.

No construction activity that implies restrictions on access to productive areas may begin before the completion of the corresponding compensation process.

15.2. Organization and Responsibilities

15.2.1. Proponent

FIPAAS and AdRN, as the proposing entities, will be responsible for the overall coordination of the implementation of ARAP, including:

- Financial management of the process;
- Supervision of compensation;
- Institutional coordination;
- Monitoring and evaluation;
- Complaints management;
- Report production.

To support the implementation, a technical team will be mobilized, composed of:

15.2.2. RAP Specialist

Responsible for:

- Coordinate the implementation of ARAP;
- Organize community consultations;
- Supervise the GRM;
- Monitor compensation payments;
- Produce monitoring reports;
- To ensure compliance with JICA's Environmental and Social Guidelines.

15.2.3. Social Specialist

- To promote the equitable participation of women and vulnerable groups;
- Monitor the differentiated impacts by gender;
- To ensure the integration of gender issues at all stages of ARAP.

- Disseminate information about the Project and the ARAP;
- Facilitating dialogue with communities;
- Supporting public consultation and awareness-raising processes.

15.3. Activity Schedule

The implementation of the RAP will begin soon after its approval by government authorities..

The main construction works of the Project can only begin after an environmental license has been issued and after the PAHs have been compensated/resettled and have definitively ceded the 10m x 10m area for drilling the boreholes and the area for the construction of the pumping station, and temporarily, a 4m wide area for the installation of the piping, all within the scope of the Project. The following table presents the proposed schedule for the implementation of the RAP:

Table25: Implementation Phases of ARAP

Phase / Stage	Main Activities	Estimated Duration
Community Outreach and Awareness	Public meetings	2 Days
	- Disclosure of eligibility criteria and compensation.	
	Establishing communication channels.	
Validation of Registration and Confirmation of Beneficiaries	Validation (Confirmation) of eligible beneficiaries	1 week
Payment of compensation for crops, trees, and other infrastructure.	- Processing of financial or in-kind compensations	1 week
	Signing of the compensation agreements;	
	Payment of compensation;	
	Implementation of measures to restore livelihoods;	
Monitoring and managing complaints;	Regular visits to families, monitoring, and reporting.	2 months
	- Complaint resolution	
	Support for integration	
Final evaluation of the implementation.	Impact assessment	1 month
	Final report	
	- Official closing of the RAP	

16. IMPLEMENTATION BUDGET FOR

16.1. Description of Implementation Costs

The ARAP budget was prepared based on an inventory of affected assets, the planned assistance measures, and the operational costs necessary for their implementation.

Of the 77 households identified during the socioeconomic census, all registered impacts on agricultural areas and fruit trees, and are therefore eligible for compensation.

During the field survey, plots with various seasonal crops and 204 fruit trees were identified in the affected areas, and the compensation values were calculated based on the compensation lists provided by the Provincial Services for Economic Activities and in accordance with the criteria established in this ARAP.

For the implementation of ARAP, two component costs were considered:

1. Compensation and assistance to PAHs (direct costs);
2. Operational costs of implementation, monitoring, complaint management, and social auditing (indirect costs).

Based on the content presented and considering a universe of 77 PAHs, the following budget structure can be used:

Table26: Proposed Budget for the Implementation of ARAP

No.	Item	Items.	Quantity	Unit Value (MZN)	Total (MZN)
A. COMPENSATION AND ASSISTANCE FOR PAHs					
1	Compensation for crops	Global	1	247,879.00	247,879.00
2	Compensation for trees and plants	Global	1	197,567.50	197,567.50
3	Assistance for crop failure	Global	1	466,752.00	466,752.00
4	Assistance for banana plantation management.	Global	1	18,000.00	18,000.00
5	Assistance to vulnerable PAHs	Global	1	438,464.00	438,464.00
6	Disturbance subsidy – seeds	Global	1	150,000.00	150,000.00
7	Disturbance allowance – seedlings	Global	1	200,000.00	200,000.00
Subtotal A					1,718,662.50
B. IMPLEMENTATION, MONITORING AND MANAGEMENT OF THE PROGRAM					
8	Social Specialist (3 months)	month	3	325,000.00	975,000.00
9	Independent consultant for final evaluation.	Global	1	600,000.00	600,000.00
10	Awareness-raising and community consultations	Global	1	325,000.00	325,000.00
11	Operation of the complaints mechanism (GRM)	Global	1	75,000.00	75,000.00
12	Opening and assisting with bank accounts/mobile wallets.	Global	1	60,000.00	60,000.00
13	Field monitoring and travel	Global	1	150,000.00	150,000.00

14	Report production and document management	Global	1	50,000.00	50,000.00
15	Training of leaders and local committee	Global	1	70,000.00	70,000.00
Subtotal B					2,305,000.00
VAT					368,800.00
Subtotal B					2,673,800.00
Sb TOTAL A + B					4,392,462.50
16	Contingencies (5%)	Global	1	145,183.13	219,623.13
GRAND TOTAL					4,612,085.63

16.2. Summary of Implementation Costs

Implementing the ARAP requires financial resources allocated not only to paying compensation and assistance measures to PAHs, but also to managing the process, monitoring, community consultations, the operation of the complaints management mechanism, and independent evaluation.

The estimated overall budget for the implementation of ARAP is MZN**4,612,085.63**, including a 5% contingency provision to cover any adjustments arising from updates to compensation values, operational variations, or other needs identified during implementation.

Direct compensation and assistance costs account for approximately 37.66% of the total budget, while implementation, monitoring, and institutional management costs account for about 62.34%, ensuring compliance with Mozambican legislation and the JICA Environmental and Social Guidelines.

The figures presented will be subject to review before the effective implementation of the ARAP, should there be changes in the number of eligible PAHs, updates to market prices, or modifications to the project execution schedule.

17. PUBLIC CONSULTATION AND PARTICIPATION PROCESS

17.1. Public Consultation and Participation Process in the ARAP Phase

The process of public participation and consultation is a fundamental element in ensuring transparency, inclusion, and the proper management of PAHs' and other stakeholders' expectations. Its implementation in the initial phases enables the identification of concerns, needs, expectations, and potential impacts associated with the project, contributing to the definition of appropriate mitigation measures and promoting social acceptance of the undertaking.

Within the framework of the development of the ARAP, a Public Consultation and Participation Process (PCPP) was carried out to ensure the effective involvement of PAHs, PIAs, government authorities, and community leaders in the planning and implementation of compensation and livelihood restoration measures.

The process was conducted in accordance with Decree No. 31/2012, of August 8, on the Resettlement Process Resulting from Economic Activities, Ministerial Decree No. 156/2014, of September 19, which approves the Technical Directive for the Elaboration and Implementation of ARAP, as well as with the JICA Environmental and Social Guidelines, particularly with regard to Involuntary Resettlement and stakeholder participation.

The PCPP aimed to ensure the proper dissemination of information about the Project, gather opinions and concerns from affected communities, promote inclusive participation, and ensure that the measures proposed in the ARAP reflect the needs, expectations, and priorities of the PAHs.

17.2. Objectives of the Public Consultation

The overall objective of the public participation and consultation process is to ensure the adequate dissemination of information about the Project and to guarantee the effective involvement of affected and interested parties, promoting informed decision-making and contributing to the minimization of conflicts and the sustainable implementation of the Project.

Specific objectives include:

- To provide clear, accessible and transparent information about the Project, its impacts and the proposed mitigation measures;
- To identify the concerns, perceptions, expectations, and recommendations of the affected and interested parties;
- To collect contributions that will maximize the social and economic benefits of the Project;

- To promote the active participation of vulnerable groups in the decision-making process;
- To ensure an open, inclusive and ongoing dialogue between the Proponent and the affected communities;
- To support the establishment of effective complaint management and conflict resolution mechanisms;
- To obtain the cooperation of the PAHs for the implementation of the activities foreseen in the ARAP;
- To ensure compliance with national legal requirements and applicable international best practices.

At the level of governmental institutions, the consultations also had the following objectives:

- Disseminate information about the Project and the compensation process;
- Discuss the challenges associated with the implementation of ARAP;
- Identify existing institutional mechanisms for managing conflicts and complaints;
- Evaluate forms of institutional coordination during the implementation of ARAP;
- To gather contributions to improve compensation and livelihood restoration processes.

17.3. Legal Framework for Public Consultation

The public consultation process was conducted in accordance with applicable Mozambican legislation, namely:

- Decree No. 54/2015, of December 31, concerning the Environmental Impact Assessment Process;
- Decree No. 31/2012, of August 8, on the Resettlement Process Resulting from Economic Activities;
- Ministerial Decree No. 156/2014, of September 19, which approves the Technical Directive for the Elaboration and Implementation of Resettlement Plans;
- Ministerial Decree No. 130/2006, of July 19, which establishes the General Guidelines for the Public Participation Process.

According to Article 13 of Decree No. 31/2012, public participation must occur in all phases of the resettlement process, including the preparation, implementation, monitoring, and evaluation of the respective plans, through meetings, public hearings, and other appropriate consultation mechanisms.

17.4. Identification of Stakeholders

The identification of affected and interested parties was carried out based on the project's area of influence and the nature of the anticipated impacts.

The following were considered the main stakeholders:

- Project Affected Households (PAHs);
- Members of the affected communities;
- Community and traditional leaders;
- Neighborhood secretaries and block leaders;
- Authorities of the Administrative Posts;
- Municipality of the City of Nampula;
- Relevant sectoral government institutions;
- Civil society organizations;
- Community and producer associations;
- FIPAAS;
- AdRN;

The involvement of these stakeholders will be maintained throughout the ARAP implementation cycle through periodic meetings, dissemination sessions, targeted consultations, and ongoing communication mechanisms.

17.5. Steps in the Public Consultation and Participation Process

Stage I – Identification of PAHs and Stakeholders

A field survey was conducted to identify and register the PAHs potentially affected by the Project, as well as the main stakeholders. This process was supported by community leaders and local authorities, which allowed for a more comprehensive and transparent identification of those affected.

The main activities carried out in this phase included:

- Delineation and confirmation of the areas directly affected by the Project;
- Identification of the administrative units covered;
- Identification and involvement of community leaders;
- Holding preliminary meetings to present the Project and the process of preparing the ARAP;

- Identification and registration of PAHs in affected areas;
- Development of the socioeconomic database for PAHs.

Stage II – Preparation of Public Consultation Materials

This phase consisted of preparing all the necessary informational and logistical materials for conducting the public consultations, including:

- Drafting notices containing information about the objectives of the Project, the ARAP and public meetings;
- Production of support materials for community presentations;
- Requesting and coordinating the use of community spaces intended for holding meetings;
- Preparation of attendance lists, registration forms, and instruments for collecting contributions.

Stage III – Dissemination of Information

Information about the Project and the ARAP development process was disseminated through various mechanisms to ensure that all stakeholders had access to relevant information.

The activities carried out included:

- Distribution of the notices to government institutions and local authorities;
- Sharing the Non-Technical Summary of the ARAP with relevant entities;
- Dissemination of information through community leaders;
- Establishing interpersonal contact with the affected PAHs and households;
- Raising community awareness about the project's objectives, potential impacts, and the rights of those affected.

Stage IV – Conducting Public Consultations

Public consultation meetings were held at previously identified locations, in coordination with the Local Administration structures, namely the Administrative Posts of Muahivire and Muatala, and in the neighborhoods and communal units that encompass the project area in Namiteka, Mapara, and Namicopo “B”.

The public consultations included the participation of PAHs, community leaders, local authorities, institutional representatives, and other members of the interested communities.

The methodology adopted was based on oral presentations, complemented by visual material presented in enlarged format, which allowed for better comprehension by the participants.

Following each presentation, open question, comment, and contribution sessions were held, during which participants could express their concerns, expectations, and recommendations. All questions raised were answered by the Consultant's technical team, the Proponent, and the local authorities present.

The contributions gathered during the consultations were recorded and taken into account in the preparation of this ARAP.

17.6. Institutional Contacts

Institutional meetings were held with governmental, municipal, and community entities to present the Nampula Water Supply System Improvement Project and the process for preparing the ARAP.

The main institutions consulted included:

- Waters of the Northern Region (AdRN);
- Municipal Council of the City of Nampula;
- Administrative Posts of Muahivire and Muatala;
- Community leaders from the areas covered by the Project.

17.6.1. AdRN

An institutional meeting was held with AdRN to introduce the team of consultants, the terms of reference for the consultancy, and the program of activities planned for the preparation of the SES and the ARAP of the Project.

During the meeting, AdRN presented information on activities already carried out under the JICA-funded Project, as well as on other ongoing projects, including emergency interventions implemented in the Project area by the Government of Mozambique.

The institution highlighted some challenges faced in previous projects, particularly those related to compensation processes and managing the expectations of affected communities. In this context, the importance of the continued involvement of communities, local leaders, and administrative authorities was emphasized to prevent conflicts and ensure the harmonious implementation of project activities.

AdRN expressed its full willingness to support the preparation of the SES and the ARAP, having appointed technicians to monitor field activities and to participate in consultations and public participation meetings throughout the process.

17.6.2. Municipal Council of the City of Nampula

At the start of the project in 2023, the Nampula City Municipal Council had a designated representative to monitor the project's activities. However, due to changes in municipal leadership during the study's preparation period, formal coordination between the Proponent and the new municipal administration was being re-established.

Despite this situation, the Project maintained effective coordination with the Heads of the Administrative Posts within the intervention area, who played a key role in facilitating communication among the Project team, the affected neighborhoods, community leaders, and local communities.

Representatives from the Administrative Posts supported community mobilization, facilitated public consultation meetings, and helped establish communication channels between the Project and the PAHs.

17.6.3. Meetings with Community Leaders

Specific meetings were held with community leaders from the areas covered by the Project to present the Project, explain the procedures for preparing the ARAP, and plan consultation and public participation activities.

During these meetings, the potential impacts of the Project, the planned compensation mechanisms, the process for identifying PAHs, the eligibility criteria, the complaint management mechanisms, and the procedures for community participation were discussed.

The meetings also enabled the identification of the most suitable locations for public consultations, the development of strategies to mobilize communities, and the collection of preliminary information on the occupation and use of the affected areas.

Community leaders played an essential role throughout the entire process, contributing to the dissemination of information, the mobilization of participants, the validation of collected information, and the facilitation of dialogue between the communities and the Project's technical team. Their involvement was crucial to ensuring transparency, trust, and the effective participation of the PAHs at different stages of the ARAP.

17.6.4. Communication of the Cut-off Date

The cut-off date is the date from which people occupying the Project area or introducing new assets into it cease to be eligible for compensation or assistance under the ARAP.

The definition and communication of the deadline aim to prevent opportunistic occupations and ensure that only the assets and occupants identified during the registration and inventory process are considered eligible for compensation.

The deadline was communicated based on the following criteria:

- Prior disclosure during public consultations held in the communities covered by the Project;
- Formal communication through local administrative authorities and community leaders;
- Dissemination of information to PAHs during the socioeconomic census and asset inventory process;
- Documentary record of the communication made, ensuring that all potentially affected parties had access to the information.

After the established deadline, any new occupations, constructions, plantations or improvements made in the Project area will not be considered eligible for compensation.

18. SUPPORT BIBLIOGRAPHY

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- Public Consultation Reports, Socioeconomic Survey, Property Registry and Asset Inventory prepared within the scope of this Short-Term Resettlement Action Plan (ARAP).

19. APPENDICES

19.2. Appendix 2 – Complaint Submission Confirmation Receipt

Confirmation receipt for the Claimant
This receipt is an acknowledgment of the complaint registration by _____, Resident of the village/neighborhood _____ on the day _____. Your case number is _____ and the expected response date is _____. Full name and signature of the person registering. _____.

19.3. Appendix 3 – Compensation Agreement



**SUPPLY AND INSTITUTIONAL SUPPORT PROJECT
(WASIS II)
IMPLEMENTATION OF THE RESETTLEMENT ACTION PLAN
ABBREVIATED (FOR) FROM NACALA**

CHARACTERIZATION OF THE IMPROVEMENT	
Owner (PAH Name)	
PAH Code	
Location (Neighborhood)	
Contact	
Type of improvement (crops, plants)	
Characteristics of the improvement (area dimensions)	
Quantity of improvements identified	

COST OF IMPROVEMENTS (MACHAMBA)			
Designation	Amount	Unit Price	
Mapira			
1 Thousand Corn			
Rice			
Beans			
sweet potato leaf			
Pumpkin leaf			
Tomato			
Cassava			
Peanut			
Other (specify)			

COST OF IMPROVEMENTS (TREES)		
Designation	Amount	Unit Price

TOTAL OF CULTURES	
TOTAL NUMBER OF TREES	
GRAND TOTAL	

Total amount to be compensated _____ MZN

EVALUATION STATEMENT

I, of nationality Holder of identification document no. (ID card, voter card or ballot), declare that, after analyzing the data presented above regarding my improvements, I agree with the valuation presented.

Signatures

(Owner of the improvements)

Signature Signature

(FIPAG Representative) (Local Structure)