

Social Monitoring Report

Semi-Annual Report: July-December 2020
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Vanuatu: Energy Access Project

Brenwe Hydro Power Subproject

Prepared by Vanuatu Project Management Unit for the Vanuatu Government and the Asian Development Bank.

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Land Acquisition Completion Report

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Vanuatu: Energy Access Project (Brenwe Hydro Power Subproject)

Prepared by the Vanuatu Project Management Unit, Republic of Vanuatu for the Asian Development Bank.

ABBREVIATIONS

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ADB	–	Asian Development Bank
AH	–	Affected Household
AP	–	Affected Person/People
BHPP	–	Brenwe Hydropower (sub) project
BSC	–	Brenwe Steering Committee
CBO	–	Community based organisation
CCPP	–	Communication, Consultation, and Participation Plan
CLMA	–	Customary Lands Management Act
CLMO	–	Customary Lands Management Office
COTA	–	Custom Owners Trust Account
DD	–	due diligence
DOE	–	Department of Energy
DMS	–	Detailed Measurement Survey
EA	–	Executing agency
EAP	–	Energy Access Project
GAP	–	Gender Action Plan
GDP	–	Gross Domestic Product
GOV	–	Government of Vanuatu
GRM	–	Grievance Redress Mechanism
HH	–	household
HIES	–	Household Income and Expenditure Survey
HPP	–	Hydropower Project
IA	–	Implementing Agency
IR	–	Involuntary Resettlement
LAA	–	Land Acquisition Act
LARP	–	Land Acquisition Resettlement Plan
M&E	–	Monitoring and Evaluation
MLNR	–	Ministry of Lands and Natural Resources
MoCC	–	Ministry of Climate Change
MPG	–	Malampa Provincial Government
NGO	–	nongovernment organizations
NSO	–	National Statistics Office (Vanuatu)
PMU	–	Project Management Unit
PPTA	–	Project Preparatory Technical Assistance
LARP	–	Resettlement Plan
SPS	–	Safeguard Policy Statement
TOR	–	Terms of Reference
TA	–	technical assistance
USD	–	United States Dollar
VG	–	Valuer General
VPMU	–	Vanuatu Project Management Unit
VT or VUV	–	Vanuatu Vatu
ZOI	–	Zone of Influence

WEIGHTS AND MEASURES

GWh	=	gigawatt per hour
ha	=	hectare
km	=	kilometer
kV	=	kilovolt
kW	=	kilowatt
m	=	meter
MWh	=	megawatt hour

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In preparing any country programme or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgment as to the legal or other status of any territory or area.

Personal information of stakeholders, such as names, phone numbers and email addresses, have been redacted before the report was disclosed on the ADB website, as per ADB's Access to Information Policy (2018), Exceptions to Disclosure, Section B. 3 (vii).

CONTENTS

ABBREVIATIONS

EXECUTIVE SUMMARY

		IV
I.	PROJECT DESCRIPTION	1
	A. Background and Rationale	1
	B. Project Outputs	1
	C. Scope of Work of Brenwe HP Subproject	1
	D. Scope of Work of Grid Extension Subproject	3
	E. Implementation Arrangements	3
	F. Purpose of the Completion Report	3
II.	SCOPE OF LAND ACQUISITION AND IMPACTS	4
	A. Scope of Land Acquisition	4
	B. Land Acquisition Impacts and Affected Household/Persons for the Hydropower Facilities Subproject	5
	C. The Land Acquisition Process Notices Used for the Brenwe HPP	8
	D. Assessment of Social Impacts of the BHPP Error! Bookmark not defined.	
	E. Status of Land Acquisition and Resettlement Implementation	12
III.	INFORMATION DISCLOSURE, CONSULTATIONS, AND PARTICIPATION	14
	A. Stakeholders	14
	B. Community Consultations Held	15
	C. Consultation Process Used During the LARP Preparation	18
	D. Disclosure of LARP	19
	Appendix 1: Copy of Memorandum of Agreement on Project Access	20
	Appendix 2: Copies of Land Acquisition Notices (Schedules)	24
	Appendix 3: Copy of MFEM Treasury Department of Transfer of Monies to COTA	42
	Appendix 4: Copy of MoA for Site Road Access Consent	43
	and Third Party Validation – Tervaut and Lamu Tepenpel Custom lands	43
	Appendix 5: Consultation Records	61
	Appendix 6: Forestry and Agriculture Tree/Crop Valuation of Access Road	97

EXECUTIVE SUMMARY

The Asian Development Bank's (ADB's) Energy Access Project (the project) will assist the Republic of Vanuatu's (the Government) efforts to reduce the country's heavy reliance on imported fossil fuels for power generation by providing a secure, sustainable and environmentally sound source of electricity for private and commercial consumers. The impact of the project is expected to improve the livelihoods of households in Malekula and Espiritu Santo. The outcome of the project will support Government policy in increasing the supply of clean renewable electricity to households in Malekula and Espiritu Santo.

The project will have the following outputs: (i) distribution grid extension in Espiritu Santo and Malekula islands, (ii) Brenwe Hydropower Project (BHPP) in Malekula, (iii) capacity building, and (iv) efficient project management services. The feasibility study was undertaken in 2014 under Project Preparatory Technical Assistance (PPTA) funded by the ADB and further studies that took place in early 2016.

This report has been prepared to provide information on the completion of land acquisition and asset compensation activities, prior to the commencement of civil works for the Brenwe HPP Subproject. It is a requirement of ADB safeguard policies that land is to be acquired and compensations paid prior to impacts on the land or assets. The report covers the hydropower facilities and access roads; it does not include report on the completion of activities relating to the transmission lines within the subproject, nor the grid extension components of the broader project.

Scope of Land Acquisition. A Resettlement Plan (referred to as the Land Acquisition Resettlement Plan [LARP]) was prepared for the BHPP subproject in Malekula, Malampa Province and addressed the requirements for safeguards and the mitigation strategies including the compensation mechanisms for customary landowners and affected persons (APs). The LARP, prepared in June 2019, covered in detail the process, approach, and the implementation plans, including the legal framework for the land acquisition process.

Table E1: Land Acquisition and Affected Persons for Brenwe HPP

Parameter	Comment
Ownership/type of land	Customary land
Type of land use	Natural bush covered ravine. Not used for any residential, commercial, or agricultural purpose.
Land acquisition requirement ha	30 ha
Number of groups having claims to the land ¹	2
Number of affected households (AHs)	7 –households of landowners
Number of Female-Headed Households	None
AHs losing 10% or more of productive land	None
Other Affected Assets	Trees and crops within site access roads and transmission line corridors

Source: PPTA; updated by VPMU.

Status of Completion. The government of Vanuatu has acquired 30 hectares (ha) of land area for the BHPP subproject from two customary owners. The acquisition process has been completed and the compensation monies paid into the Customary Owners Trust Account (COTA)

¹ Supreme Court determinations on ownership completed for Tervaut land (left bank of Brenwe River) and Lamu Tepenpel (Wiaru) land (right bank).

by the GOV. The BHPP subproject site is customary-owned bush land located within a steep ravine that is not used for any residential or agricultural purpose. It will therefore not have impacts of physical displacement and is not expected to negatively affect any major income source for the landowners or other persons. The BHPP requires 30 ha of land. The land owners and local community members view the BHPP as an opportunity to access regular power supply as well as providing cash compensation for landowners, thus generating benefits to them from otherwise economically unproductive land. Some users of the land to be used for the right and left bank access ways will lose income from cash crop production from the removal of productive cocoa and coconut trees and root crops. Compensation is in progress by the government for the loss of these assets.

Although Brenwe HPP transmission line construction and grid extension are not expected to require land acquisition, they may require removal and trimming of trees within the (combined) transmission corridor and road reserves. The households affected by the loss of such assets will be entitled to compensation, but the particular households cannot be determined until the detailed design for the transmission is available.

The GOV has acquired and compensated for the land for the Brenwe HPP site, and the transmission lines will be located within the site access road and existing provincial road corridors to avoid and minimize impacts. The grid extensions will also follow the existing road corridors. Infrastructure will only be installed on customary land where there has been a negotiated agreement on the use of that land. With these various undertakings, the GOV has received strong support for the BHPP by the local communities and their leaders. During interviews, research and multiple rounds of consultations with APs and communities, those concerned expressed the need for the electrification project and have worked with the government to make the land available.

The transmission line, grid extension and site access roads are not expected to require permanent land acquisition within the next 5 years. The land access for these components will be guided by existing government laws such as the Public Roads Act and the Electricity Act and the necessary consent and agreement from all the landowners and land users. This has been obtained for the site access through memorandum of agreements (MOAs) and verified by an independent third party.

Entitlements and Assurances Provided. The project is following ADB's Safeguard Policy Statement (SPS, 2009) and Vanuatu's applicable laws on land acquisition and compensation. The table below summarises the entitlement for APs.

Table ES2: Entitlement Matrix

Type of Impact	Entitled Persons	Entitlements and Progress
Loss of land	Landowners	<p>Compensation at replacement cost based on current market price (based on most recent transactions of comparable value).</p> <p>Status:</p> <ul style="list-style-type: none"> Valuation conducted and accepted by owners Compensation paid into the COTA for the land acquired.
Loss of use of the land	Land users, including lessees	Payment of rent for 1 year for an equivalent area of land elsewhere equal to the land area forgone, and compensation for lost crops as below.

Type of Impact	Entitled Persons	Entitlements and Progress
		<p>Status:</p> <ul style="list-style-type: none"> No leases identified.
Impaired access to adjacent productive land	Users of land immediately adjacent to but not on acquired or leased land	<p>Payment of cost of re-establishing or repairing access tracks or driveways to previous or better standard.</p> <p>Status:</p> <ul style="list-style-type: none"> None identified
Loss of trees, crops, and food sources	All APs owning the planted trees and/or crops on the acquired or affected land	<p>APs will be entitled to harvest any natural trees, planted trees, and crops belonging to them on the acquired land or access roads before site clearance as per the MOA for Access Roads and within a specified time.</p> <p>Fruit trees, nut trees, and housing material trees will be compensated for a replacement cost or market/comparable price. Planted timber trees, if any, will be compensated for at market price for a mature tree of the same species.</p> <p>Status:</p> <ul style="list-style-type: none"> No site clearance to date Assets on acquired land valued and compensated for through COTA Affected crops and trees on non-acquired affected land (access roads) identified, valued and compensation in progress.
Loss of trees, vegetation, crops, and structures in power transmission and distribution corridors	Persons, regardless of status, owning the asset/s impinging on the transmission corridor/easement	<p>APs will be entitled to harvest or remove assets belonging to them prior to corridor/easement clearing and within a specified time.</p> <p>APs will be compensated for crops and fruit trees at market value of the asset lost or will be given paid employment by the power agency/ contractor in trimming and removing those trees. A signed agreement will be executed with the APs in the event they choose this option and are willing to forgo cash compensation</p> <p>Owners of structures (e.g., roadside market stall) will be provided with materials and labour to re-establish the structure nearby to an equivalent or better standard.</p> <p>Status:</p> <ul style="list-style-type: none"> Affected assets yet to be identified (transmission route not yet known)
Impacts on assets and livelihoods of vulnerable groups	Vulnerable groups including women, youth, and poor households	<p>Training and project-generated employment given on priority basis to the AHs; and assistance to vulnerable households for income restoration. Determined on a case by case need.</p> <p>Status:</p> <ul style="list-style-type: none"> Recruitment for project workforce begun under this policy. Vulnerable cases identified, and being included in assistance program.

Type of Impact	Entitled Persons	Entitlements and Progress
Unforeseen or unintended impacts on livelihoods and assets	Concerned community members	<p>These will be determined on a case by case basis as per the principles of the LARP and ADB's SPS.</p> <p>Status:</p> <ul style="list-style-type: none"> No unforeseen negative impacts identified to date.

ADB = Asian Development Bank; AH = affected household; AP = affected persons/people; COTA = Custom Owners Trust Account; LARP = Land Acquisition Resettlement Plan; MOA = memorandum of agreement; SPS = Safeguards Policy Statement.

Implementation Activities. The following was the implementation schedule for land acquisition and resettlement planning activities undertaken by the government:

Table ES3: Implementation Schedule

No	Activities	Progress / date completed
1	Confirmation of land requirement and consultation/information disclosure with landowners/APs	Completed Feb 2017
2	Land survey and valuation	Completed 2018
3	Confirmation of landowners by the Customary Lands Management Office (CLMO)	Completed 2018
4	Submission to Department of Lands (DOL) of land survey report and to prepare for formal negotiation with landowners/APs and budget allocation for land acquisition	Completed 2018
5	Negotiation with landowners/APs: consultation with affected landowners to negotiate for land acquisition/purchase.	Completed 2018
6	Agreement on land acquisition/purchase and approval by the government on allocation and release of fund for land compensation payment	Completed. Funds deposited in COTA February 2019.
7	Vanuatu Project Management Unit (VPMU) in coordination with Department of Energy (DOE) and DOL updates the LARP including agreements on compensation rates with landowners and discloses updated LARP to APs.	In progress. Updates done in September 2017, September 2018, February 2019, June 2019.
8	VPMU submits the updated LARP to ADB for approval and posting on ADB website	Completed and Published June 2019. Next update in progress
9	Execution of land acquisition and payment of compensation	In Progress: VT 40M Land owners' funds deposited in COTA Feb 2019. Yet to be uplifted by land owners. Awaiting completion of land registration.
10	VPMU submits to ADB a land acquisition and compensation completion report	This Report December 2020. Covers the Brenwe HPP Subproject, specifically the hydropower facility and two access roads. Construction can proceed for these components.

No	Activities	Progress / date completed
		P
11	VPMU submits safeguard monitoring reports	Ongoing: January to June 2020 reporting period and semi-annual safeguard monitoring reports submitted.

ADB = Asian Development Bank; AP = affected person; BHPP = Brenwe HPP; CLMO = Customary Lands Management Office; COTA = Customary Owners Trust Account; VPMU = Vanuatu Project Management Unit.

Future Actions. The LARP is to be further updated after the detailed design for the transmission line and grid extension have been prepared and approved. Once finalised and implemented, a separate Completion Report will be prepared for these components.

About this report. This Land Acquisition Completion Report (LACR) of November 2020 must be read in conjunction with the most recent LARP (11 June 2019) as this report has confined its focus on the land acquisition core process from commencement to completion and the subsequent transfer of compensation money to the COTA, as confirmed in formal letter by the Ministry of Finance Treasury Department to the Director General of the Ministry of Lands and Mineral Resources (Appendix 3). In addition, it includes the process for gaining the consent of the customary land owners and land users for the alignment and construction of the BHPP site access roads (documented in the MOA for the Access Roads, and verified by Independent Third Party Verifiers according to the ADB approved procedures (Appendix 4).

The LACR has also maintained some of the pertinent information such as the scope and impacts on the APs by the land acquisition, the notices used in the acquisition process, the consultation process and its history dating back to 2014 till 2020, a brief summary of the preparation of the LARP, and a general description of the subproject to provide a brief overview of how the land acquisition process was undertaken by the Government of Vanuatu.

I. PROJECT DESCRIPTION

A. Background and Rationale

1. Vanuatu is a South Pacific island nation composed of more than 80 islands with a total land area of about 12,190 kilometer (km)² spread over an ocean area of 612,300 km² and stretching from Hiu Island in the north to Mathew and Hunter Islands in the south. Most (around 60%) of these islands are permanently inhabited, and around half are mountainous and densely forested with narrow strips of farming land on the coasts. Five volcanoes are still active and volcanic eruptions are not uncommon. In 2016, the country had a total population of approximately 272,459 people in 55,527 households with almost 80% of them living on the 12 largest islands. The two main cities are Port Vila (50,944 people) and Luganville (15,865 people).

2. Vanuatu's economy is primarily agriculture-based. More than three-quarters of inhabitants live in rural areas and rely on traditional subsistence farming methods. Vanuatu's economy has been unable to grow quickly enough to meet the needs of its expanding population. A significant consequence is a high rate of youth unemployment. The main exports are copra (35%), coconut oil, cocoa, coffee, kava root, cattle, and timber. The country's tax haven status and unspoilt natural beauty has led to a growing reliance on the finance and tourism industries. Overseas aid from Australia, Britain, France, and New Zealand is also important.

3. Vanuatu has no known developable fossil fuel reserves. The country is relatively rich in renewable energy resources which include geothermal, hydro, solar, bio-energy and wind. Electricity generation and transport are still mainly based on imported fossil fuel though have significant potential for further conversion to renewable energy in the future. On average, around 65% of petroleum imports are used for transport, 30% for electricity generation and 4% for household use. About 7% of rural dwellers have access to any sort of electrical supply other than portable lights and radios powered by dry cell batteries.

4. The government wants to reduce imports of fossil fuels as the cost of petroleum product imports typically exceeds 50% of the total value of Vanuatu's exports. ADB provided technical assistance to the Government of Vanuatu to prepare the Energy Access Project to increase energy access to households and businesses on Malekula and Espiritu Santo through expansion of existing distribution grids and the development of low-cost renewable energy generation from hydropower. This is being complemented by other GOV initiatives to increase electrification of rural communities through the provision of stand-alone hybrid solar power plants.

5. The impact of the project is expected to improve the livelihoods of households in Malekula and Espiritu Santo and facilitate an increased supply of clean renewable electricity to households.

B. Project Outputs

6. The project will have the following outputs: (i) power distribution grid extension in Santo and Malekula islands, (ii) Brenwe Hydropower Plant (BHPP) in Malekula, (iii) capacity building, and (iv) efficient project management services.

C. Scope of Work of Brenwe HP Subproject

7. The Brenwe HP subproject is located along the Brenwe River system on the island of Malekula in Malampa Province. The Malampa Province comprises of the main islands of Malekula, Ambrym and Paama. Malekula is the second largest island of the Vanuatu archipelago and its

township which is also the provincial capital is Lakatoro. The airport is located some 5 km away in Norsup.

8. The hydropower site is approximately 23 km from Lakatoro the provincial administrative centre and Norsup. The subproject will harness the flow of the Brenwe River to generate hydro-electric power. The layout is similar to the partially constructed Brenwe hydropower project which was abandoned in the mid-1990s.

9. The intake of the run-of-river scheme is located at RL160 m above sea level about 5 km NNW of Unmet village and comprises a low weir with a single gated sluice on the left (east) side. Water is diverted into a side intake and sand trap on the left bank before being conveyed along a south trending headrace canal for approximately 1 km. The headrace canal passes alongside a gorge where it is cut into a steep to sub vertical slope. Along the gorge the river drops nearly 100 m over less than 1 km. The canal discharges into a forebay (16 m x 4 m). A 150 m steel penstock conveys water from the head pond west to the powerhouse (15 m x 8 m) located on the left bank of the Brenwe River at elevation RL 80 m above sea level which will provide an output of up to 400 kilowatt (kW) with a design flow of 0.8 m³/s.

10. Access to the site from Lakatoro is via the existing northwest Malekula Provincial Road which crosses the Brenwe River just upstream of the intake site. Access roads to the intake, powerhouse and forebay sites will be established within the 30ha land area that has been acquired. The detailed engineering surveys established that site access requires the use of additional land, and this has been achieved through a voluntary "Memorandum for Land Access" with the two land owner families who are the same owners as for the acquired land, negotiated in February 2019.

11. An approximately 23 km long 20 kV transmission line² will be constructed from the powerhouse to Lakatoro where it will connect to UNELCO's existing grid. The line route will be within the corridor of the powerhouse access road and the northwest Malekula Provincial public road to Lakatoro (existing 10m wide corridor). The road reserve defined within the Public Roads Act is 30m for an arterial road and 20m for a feeder road. Many public roads throughout the country have been declared as public roads under the Act by the Minister of Infrastructure & Public Utilities in the last half of 2020. The particular line route is maintained by the Public Works Department and a current PWD project funded by the Chinese is improving the route.

12. Construction of the Brenwe River hydropower scheme will involve construction activities consisting of largely manual labour under the supervision of trained personnel. The site is accessible by access roads and transportation of construction material is not an issue. Civil works will require both skilled and unskilled workers. The use of prefabricated equipment, reinforced concrete and masonry, minimizes the quantities of building materials. A temporary workers' camp will be established within the 30ha boundary for lunch breaks and storage of equipment. It is estimated that employment of approximately 32 local workers (60% being skilled) and 5 foreign experts will be required for the Project over the construction period of about 24 months. With their involvement in the construction, there will be the opportunity for local workers to be employed in future maintenance.

² 20 kV is a distribution voltage and is mounted on poles and aligned along existing road corridors. It does not require a clearance corridor typical of high voltage transmission lines. However, for the purposes of this project the 20 kV line performs a transmission function and is therefore referred to throughout this report as a transmission line.

13. The access roads to the intake, forebay and powerhouse sites will require clearing of vegetation and grading. a. This will be followed by demolition and removal of the abandoned weir, forebay and powerhouse structures from the previous failed project. As much as possible waste materials (concrete, masonry, etc.) will be reused as construction materials.

14. At the head works site a temporary coffer dam and channel diversion will be constructed to enable construction of the intake works. This will be followed by largely manual excavation of soil rock and boulders to form the head works. As much as possible excavated material will be used as backfill with surplus material disposed of as required. The intake structure will be manually constructed with reinforced concrete.

15. Vegetation clearance and excavation of the headrace canal/pipeline, head pond and penstock route will be followed by construction of the stone masonry or concrete canal and forebay structures and concrete support piers and anchor blocks for the penstock.

16. Powerhouse and tailrace construction will commence with site clearance followed by excavation of discharge pit and concrete slab foundation for the powerhouse. Riverbank protection works adjacent to the tailrace will involve placement and filling of gabion baskets.

17. The 23 km long 20 kV transmission line will be built using insulated Aerial Bundled Cables (ABC) to minimize vegetation clearance. However, it will require (i) minimum vegetation trimming in along a few sections of the road corridor, (ii) transporting 12 m steel or concrete poles to the road side, (iii) erection of poles, (iv) stringing of cables, and (v) installation of transformers. These sequential activities are primarily manual activities involving a small team with minimal use of mechanical equipment. No excavation is required other than manual or machine digging for the pole footing. Concrete foundations will be provided in some locations for the pole footings. Local residents will be employed to assist in this transmission line work, including vegetation clearance.

D. Scope of Work of Grid Extension Subproject

18. The grid supplied by power from Brenwe HPP will be extended to an estimated additional 1,050 households in Malekula, including the settlements of Unmet, Brenwe, Leviamp, and Lambubu. In addition to the Malekula developments, the VEAP will also extend the grid on Espiritu Santo north of Luganville. The VEAP will finance 79 km distribution lines, step-down transformers, and poles.

E. Implementation Arrangements

19. The Executing Agency (EA) is the Ministry of Finance and Economic Management (MFEM) and the implementing agency (IA) is the Department of Energy (DOE) assisted by the Vanuatu Project Management Unit (VPMU).

20. The LARP was based on the findings of the assessment of the selected site in Malekula in Malampa Province carried out under the PPTA. The LARP was first prepared in September 2017 and most recently updated in June 2019 following ADB's Safeguards Policy Statement (SPS) and applicable laws of the Republic of Vanuatu. The LARP was implemented by the DOE, with the support of the VPMU and relevant government agencies.

F. Purpose of the Completion Report

21. This report has been prepared to provide information on the completion of land acquisition and asset compensation activities, prior to the commencement of civil works for the Brenwe HPP

Subproject. It is a requirement of ADB safeguard policies that land is to be acquired and compensations paid prior to impacts on the land or assets. The report is based on, and should be read in conjunction with, the Land Acquisition and Resettlement Plan (LARP 2019).

II. SCOPE OF LAND ACQUISITION AND IMPACTS

A. Scope of Land Acquisition

22. The Brenwe HPP subproject includes the development of hydropower facilities and infrastructure (water intake, headrace, forebay, canal, power station) with an output of up to 400 kW. It will include an access roads and construction of a 20 kV power transmission lines to connect the power station to the existing Norsup/Lakatoro gridline. In summary:

- (i) 30 hectares for hydropower facilities,
- (ii) forebay road from eastern boundary of acquired land to existing provincial road (100m),
- (iii) power station road from western boundary of acquired land to existing road (about 2.5km), and
- (iv) Road reserve for 22km transmission line.

23. The subproject required the permanent acquisition of 30 ha of land area to develop the hydropower facilities. The transmission line will follow the existing provincial road corridor. The location and extent of tree cutting and trimming within the transmission/road corridor will be determined during the detailed design stage, which is currently in progress, as well as whether the transmission line can be installed within the road easement or if land will need to be acquired. The power concessionaire is expected to install the transmission infrastructure, however, VPMU and DOE will be undertaking the land-related assessments before the commencement of physical works related to the transmission lines.

24. The subproject was required the GOV to acquire full land acquisition of 30ha of land and provide compensation for the hydropower facilities following national laws and ADB policies. Two custom lands, each with multiple landowners, were identified as the land required to accommodate the hydropower facilities, i.e., Wiaru (Lamu Tepenpel) land (west side of the river, 12 ha) and Tervaut land (east side of the river, 18ha). The forebay access road crosses Tervaut and Timbun custom lands. There is a developed cocoa and coconut plantation, along with small areas of food garden, on the land that will be traversed by the forebay access. The owners of these crops have been identified and a valuation of the affected crops carried out. Compensation arrangements have been agreed and verified by a Third-Party Verifier (TPV). The compensation process is being progressed. Affected custom lands, if any, and APs within the transmission line corridors have not yet been determined.

25. Consultation was held with APs and communities in 2014, 2016, 2017, and 2018 on the land requirement of the BHPP. The custom landowners and their representatives were informed of the scope of the Government's land requirement. A Schedule One 3 notice (a public notice that the land may be required for a public purpose) was posted on 18 May 2017. Schedule Two was served on 17 July 2017. After investigation of the land, a Schedule Three notice (to custom owners and interested persons that the government intends to acquire the land) was issued on 21 August 2017. A Schedule Four notice (advising that a custom owner or person interested in the land could

³ As required by the Land Acquisition Regulations under the Land Acquisition Act.

lodge a claim for compensation) was issued on 10 February 2018. Copies of all relevant notices are provided in Appendix 2.

26. Three groups initially claimed customary ownership of the Wiaru land. Three other groups claimed ownership of the Tervaut land. Determination of the rightful customary landowners was processed through the village, area and island tribunals to the Supreme Court for resolution. Following these processes, the Tervaut Land Appeal Case was heard before the Supreme Court in November 2017 and the judgment was made in November 2018 in favour of the [REDACTED]. The Wiaru land ownership was previously determined by the court in favour of [REDACTED] and [REDACTED].

B. Land Acquisition Impacts and Affected Household/Persons for the Hydropower Facilities Subproject

27. The hydropower subproject requires 30 ha of land for the hydropower facilities. The 30ha land is located within rugged and steep terrain with the major portion bounded by very steep ridges (almost vertical) dropping down to the riverbed. Eighty percent of this 30 ha of land remains unused and natural forest, while gardens and high value trees and crops are found at the periphery of the boundary. Prior to any clearing of high value trees/crops, compensation will be made. The landowners have lost the rights to their land in the trust that their families, communities and the whole of Malekula can benefit from the production of electricity from their land.

28. From site inspections and interviews with landowners, traditional leaders, and Island Council members, it is assessed that no persons will lose 10% or more of their land or income due to the Brenwe HPP subproject. Interviews with APs also confirmed availability of lands on other parts of the island that APs have customary access to for food and income. The exact extent of the need to clear of trees and vegetation for the power transmission corridor from the Brenwe HPP will be determined after the detailed design study is completed.

29. Table 1 below provides a summary of features of the Brenwe HPP subproject including estimated land requirements and numbers of APs in the subproject site:

Table 1: Brenwe Hydropower Subproject Features and Land Requirements⁴

Feature	Land Requirements
Proposed Interventions	Construction of hydropower facilities, road, & transmission line
Location of proposed site for subproject	Brenwe River
Weir (10 m x 20 m)	200 m ²
Intake/ Settling Basin (15 m x 30 m)	450 m ²
Head Race Canal Corridor (8 m x 900 m)	7,200 m ²
Forebay (15 m x 30 m)	450 m ²
Penstock Corridor (8 m x 100 m)	800 m ²
Switch Yard (20 m x 30 m)	600 m ²
Powerhouse (20 m x 30 m x 6m)	600 m ²
Accommodation (20 m x 30 m)	600 m ²
Storage and Site setup (40 m x 50 m)	2,000 m ²
Ownership/type of land	Customary land
Type of land use	Natural bush covered ravine. No residential, commercial, or agricultural use
Land acquisition requirement	30 ha

⁴ Data on land are estimates. These are subject to confirmation and might change during the implementation.

Feature	Land Requirements
Number of groups owning the land	2
Number of AHs of landowners	7
Number of Female-Headed Households	None
AHs losing 10% or more land	None
Other Affected Assets	Trees or other assets within transmission line corridors

30. The list of land landowners is shown in Table 2 below:

Table 2: List of Brenwe HPP Landowners

Land for Hydropower Facilities on East Side of Brenwe River (Tervaut lands)	Land for Hydropower Facilities – West Side of Brenwe River (Wiaru ILands)	Transmission Line ⁵ (Tree Cutting, Crops)
<p>██████████ (Landowner)</p> <ul style="list-style-type: none"> 4 HH, with extended family with unknown number of members. mostly located at Tautu, near Lakatoro 	<ul style="list-style-type: none"> ██████████ (Landowner) 3 HH, 11 members, mostly located at Wiaru and Unmet. 	Numerous HHs along roadside are likely to be affected (can be determined only after detailed design)

Source: PPTA and updated 2019.

30. The PPTA consultants tried to minimise land requirements during PPTA design. The acquisition area of 30 ha is the minimum area necessary for access, construction, and long-term security. Engineering designs for the access roads and transmission corridor and infrastructure will minimise livelihoods and resettlement impacts. The measures include:

- (i) appropriate siting of hydro facilities,
- (ii) use of existing public roads to access the project sites to minimise land acquisition requirement,
- (iii) use of existing road corridor and local roads for the location of the transmission lines and for the distribution network, and
- (iv) use of insulated cables for transmission lines to minimise vegetation clearance.

31. While no persons will be physically displaced or expected to lose 10% or more of their land or income, a number of households will be affected by the land acquisition for hydropower facilities. The subproject is therefore classified as Category B in terms of land acquisition/involuntary resettlement impacts.

32. The identified landowners and land users affected by the creation of BHPP facilities and the site access roads extending outside the boundary of the acquired land (covered by the appended 5-year MOUs) is on list provided on Table 3. None are owners of the land they are farming on the access routes. Depending on the detailed design and alignment of the site access roads, cocoa and coconut plantation trees will need to be removed to make a 10 m wide temporary access from the Provincial road on the east side of the river. Up to 1,000 square meters of land is required to be cleared for this access. Compensation to the crop owners for the lost trees and crops is being progressed.

⁵ The extent of impact will depend on whether the road is formally gazetted under the Public Roads Act 2013 or a mutual agreement between parties is made.

33. The crop and tree assets on the proposed access road alignments have been recorded and officially valued (in August 2020) by the Department of Forests and Department of Agriculture in preparation for payment of compensation to their owners (Appendix 6). An access road agreement with the landowners including a Third-Party Verifier (TPV) was executed in February/March 2019.

Table 3: Users of the Access Road Lands

Name	residence	Gender	Custom landowner
<i>Users of the road access lands</i>			
[REDACTED]	Brenwei	M	No
[REDACTED]	Unmet	M	Yes
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Wiaru	M	No
[REDACTED]	Wiaru	M	No
[REDACTED]	Wiaru	M	No
[REDACTED]	Unmet	M	No
[REDACTED]	Wiaru	M	No

34. Other households will be partially affected due to tree-cutting along transmission line and grid extension (actual number to be determined later). Similar compensation practices will be employed by the Project in this instance with the Department of Agriculture carrying out an assessment prior to tree cutting being affected, along the final T&D design routes. At present a 30m road carriageway exists, exclusive of road shoulders, from Lakatoro to Losinwe, and a 4-6m carriageway from Losinwe to Brenwe. Current practice for transmission lines in Malekula is 3 m from the edge of the road with 15 m right of way (ROW), which was acceptable to the local communities. The affected persons (APs) will be entitled to compensation for affected structures including crops, trees and gardens. Current practise by UNELCO (the electricity supply concessionaire) is that landowners and residents' vegetation loss are compensated one time upfront prior to the installation of the pole, and later on paid for casual labour on the maintenance of the grass level around the pole. The Road Administrator and Director General of Ministry of Infrastructure Public Utilities (MIPU) and the Malampa Provincial Public Works Department (PWD) will determine the exact ROW to be used for BHPP.

35. Under the LAA regulations, Schedule 1 is the first instrument to be served on the landowners and any interested parties to allow government officials to enter any land for the purposes of conducting their preliminary surveys, test, investigation, soil test, engineering survey etc. to ascertain the suitability of the land for the particular public purpose project. Schedule 1 was issued on 18 May 2017. (appended)

NOT FOR CONSTRUCTION

37. Schedule 3 notice was issued on 21 August 2017 for the BHPP land acquisition. This announced the Government's intention to acquire the specific land in question. When this notice is issued, landowners or interested parties have the opportunity to either 'object' or agree for the government to acquire. In the BHPP case, an MOU was signed by the identified land claimants with the Government providing for the land acquisition to occur. (Appended)

38. Schedule 4 is the declaration that the Minister will acquire the land. At this point the landowners or interested parties are allowed the first opportunity to seek an independent or private valuer to assess the land to be acquired, and to state their claims. The specific values to

8

be assessed are listed under Section 9 of the LAA as outlined above. This notice was issued on 10 February 2018 to the BHPP land claimants, one of whom indicated an intention to engage an independent valuer but following consultation with the DG Lands chose not to do so. (Appended)

39. Schedule 5 is where a valuation or determination of compensation value is issued by the Acquiring Officer. In the BHPP case, the Government's Statutory Valuation report was issued to the landowner-claimants in July 2018, stating a total valuation of VUV 40 million. One of the landowners () objected to the valuation on the basis of the relative values of the two areas being acquired. The DOE confirmed delivery of the Acquiring Officer's response in Bislama to the representative of the land owning family and the matter was resolved following conference with the DG Lands in mid-2019.

40. Schedule 6 is the final notice in the process of acquisition. This is where notice is issued of a final determination of the valuation, or value being agreed to by all parties. The rightful land owners for the acquired lands were determined by the Court in late 2018 and Government made a payment of VUV 40 million into the Custom Owners Trust Account (COTA) where it will be kept until the land titling process is able to be completed – expected to be in 2021. At that point the landowners will be able to draw down their share of the funds.

1. Extent of Loss and Impacts from Land Acquisition

41. A total of 30 ha of customarily owned land has been acquired for the BHPP, all of it being unoccupied, uncultivated, and non-economically productive. Hence there is no expected risk of landlessness, loss of home or other structures, and/or loss of major income source due to the land acquisition for the BHPP. No land is expected to be acquired for the establishment of the power transmission lines, though some livelihoods assets may be lost by those whose land lies immediately adjacent to or impinges upon the road right-of-way within which the transmission and power distribution infrastructure will be located.

42. Interviews with Village leaders and potential APs as well as visual observation revealed that the affected land is not used for residential or agricultural activities. People from villages in the wider Brenwe river district do not have their food gardens on the site, though plantations and some food gardens are located adjacent to the road, and on more suitable land away from the Brenwe river gorges. Prior to the land being acquired, there were no plans by the village communities or owners. to use the area for any development.

43. The impacts of the transmission line and grid extension can only be determined during the detailed design stage. Assessment will be part of an updated LARP specific for these components following the detailed design.

44. The loss for the APs is not more than 10% of their total land and income. The estimation was done through consultations with land owners and key community leaders over the boundaries of the claimants' customary estates. The APs and their representatives reported that they have access to adequate lands in other parts of the island for food production and income generation.

2. Views of Affected Persons on Impact of Loss of Land⁷

45. All interviewed land claimants viewed the loss of their land as insignificant since the site is physically unsuitable for cultivation and there are other available and more accessible plots for agriculture. The majority of landowner-claimants and residents viewed the development of the upper Brenwe River site for hydro electricity generation as an opportunity to secure and gain direct access to the public power supply, thus maximising the value of otherwise unproductive or unused land. All the land claimants expected cash compensation for affected land, and in early 2018 had received the Valuer General's Statutory Valuation for the land: the Tervaut land, including trees, was valued, according to prevailing market rates, at 18 million Vatu, and the "Lamu and Tepenel land" (referred to as the Wiaru land) at 22 million Vatu. In interviews in September 2018, most of the land claimants were satisfied with the valuation. As of September 2018, [REDACTED], on behalf of the declared customary landowner of Tervuat, had lodged a formal objection to the valuation and requesting he be given the opportunity to provide his own independent valuation. As noted previously, the Department of Lands responded formally. Further discussions on the matter of relative values was led by the DG Lands with the [REDACTED] family in February 2019 and their concerns were resolved.

46. All consulted landowners, land users, and village and provincial councils have supported the project and in order to avoid potential delays and challenges that might arise from alternative development proposals decided to refuse access to land for further investigations. This position was affirmed during consultations in September 2018, February 2019, and in August 2020.

3. Agreement on Land Access

47. During interviews in 201, February 2019 and in June-July 2020 all the land claimants and potential and actual APs expressed strong support to allow the government to acquire the site for the HPP. For these stakeholders and community leaders the development benefits and cash compensation for land were key considerations in their support for the BHPP and government's acquisition of the land. A copy of an initial memorandum of agreement (MOA) between the Provincial Government, customary landowners and land claimants and community chiefs is in Appendix 1, demonstrating their willingness to support and allow access to the site during the preliminary stages.

48. Land user APs for the roads are entitled to compensation for the lost assets (crops and trees). Accordingly, inventories of lands and assets affected by the creation of the roads was undertaken in August 2020 by the Department of Agriculture and Department of Forests (Appendix 6). A Memorandum of Agreement, valid for five years, to provide consent to build the access roads through the land has been signed by all of the land users whose names and details have been appended to the MoA. During construction of the Project and within the five years term, the GoV has the option to acquire permanently the access road lands, lease them, or extend the MoA term as confirmed by the DG Lands. Compensation due to the land users for lost assets will be paid prior to any construction of the roads.

49. For the transmission infrastructure within the road corridors, a similar assessment and compensation process as used in the BHPP access roads will be utilized with relevant GoV departments undertaking the assessments and the valuation of the crops and trees that are lost

⁷ Records of consultations with APS and other community members are provided in Appendix 5.

within the alignment of the transmission and distribution power lines. Compensation will be paid before construction activities commence.

4. Impacts on Women and the Poor

50. Women and those economically marginalized will be major beneficiaries of the Project. Improved access to reliable power, as a goal of the VEAP, will facilitate provision and availability of health and educational services as well as improved safety of women and girls during night time. Improved safety enables greater participation in the life of the community, especially decision-making forums. Women also report that having reliable and affordable lighting and mains power will enable their children to study in the evenings, to undertake home industry and crafts etc for income generation, and to have home entertainment (e.g., recorded music and TV) for the family. Where affordable, refrigeration will reduce food wastage, especially of animal and fish protein, and reduce the incidence of gastrointestinal illness due to food contamination. In general, community members anticipate a significant improvement in their standard of living.

51. There are no prominent gender issues among APs identified in this subproject. Consultation with the Council of Women took place in August-September 2020. Village awareness meetings regarding employment opportunities for women took place in August September 2020. There are no recorded female-headed households among those claiming ownership of the acquired land.

52. The Department of Women's Affairs (DoWA), under the Ministry of Justice, was consulted in January 2019. DoWA emphasised the importance of building and maintaining good relationships and communications with the chiefs so they are aware of the need and importance of including women in the discussions regarding the project. During the construction phase, sensitivity will be given to the timings of meetings with women in communities and whether it would be more appropriate to meet with them separately. Meetings to discuss employment opportunities and opportunities for economic activities were held, along with a community awareness and construction worker recruitment drive, in August 2020 in the communities, including among women. The construction contractor also announced a policy of employing local women, and on an equal basis with men.

53. In addition to employment during construction, key priorities identified by women APs include stable affordable power. Planning for provision of power supply to local households is underway.

5. Indigenous Peoples or Cultural Heritage

54. The local people in the project sites do not meet the ADB criteria (distinctiveness and vulnerability) of Indigenous Peoples. The potentially APs in the project sites are part of mainstream Ni-Vanuatu Melanesian society and are not considered to have a distinct culture from the mainstream society and are not discriminated upon by any other groups due to their language, skin colour and education level. Thus, they will not require special protection or attention from the project. Although they have dialect distinct from other outer islands, as with other Ni Vanuatu, they communicate with one another using either Bislama, French or English. Communities in the project area retain many traditional cultural practises and customs and until the Covid 19 global pandemic, were involved in providing cultural tourism experiences. . There has been several tabu places revealed to the project staff during identification of possible access road alignments. The proposed alignments will avoid such sacred sites and protect the cultural heritage area.

55. There are no expected adverse impacts from the land acquisition for the BHPP on the cultural heritage and practises of the potentially APs. Accidental discoveries of cultural heritage

items and/or sites are covered by protocols in the contractor's management plans, and subject to review by local communities.

6. Conclusion

56. Based on the result of the household survey, and the outcomes of similar developments elsewhere in the Pacific, the provision of electricity from the BHPP to the local communities and beyond will stimulate general improvement in peoples' living and working conditions, provide more and new economic opportunities, and improve participation and achievement in education. The provision of public lighting will become possible which will increase the personal safety of women and girls, enabling them to have greater involvement in community life.

D. Status of Land Acquisition and Resettlement Implementation

57. The land acquisition and compensation process for the BHPP is substantially complete. From a project land acquisition and resettlement point of view, all clearance for construction activities to commence is in place and the compensation monies have been transferred to COTA as per agreement with the Customary Landowners in the MOA. The onus now rests with the customary landowners to produce the required documentation to the CLMO to ascertain and verify that they are the rightful customary landowners and claim the compensation money available in the COTA prior to its uplift. The compensation for the site access roads will be paid to the land users and owners of crops that will be lost through clearing within the alignment of these access roads. Access to land for these roads is being provided voluntarily by the land owners for up to 5 years. Table 4 provides a summary of the status of completion for each subproject and Table 4 provides details of the implementation timeline of activities relating to the Brenwe HPP Subproject LARP activities.

Table 4: Summary of the Status of Land Acquisition and Resettlement Implementation

#	Subproject Section	Land Requirements	Land Ownership Arrangements	Affected Assets/ Livelihoods	Status
Brenwe HPP Subproject					
1	Hydropower facilities	30 ha	Two customary land parcels: Lamu Tepenpel Wiaru land (west side of the river, 12 ha) and Tervaut land (east side of the river, 18ha). Determination of the rightful customary landowners was processed through the village, area and island tribunals and Supreme Court. One appeal case was heard by the Supreme Court. Two owners declared.	No structures, crops or privately held assets within the area. There are no affected livelihoods/ incomes.	Completed GOV followed national laws to compulsorily acquire the land. Valuation of the land and trees was conducted by MoL in 2019. Landowners accepted compensation. MoL deposited funds to COTA in the land owners' names. Land title is being completed and once done the compensation will be paid to the landowners.

#	Subproject Section	Land Requirements	Land Ownership Arrangements	Affected Assets/ Livelihoods	Status
2	Forebay road from eastern boundary of acquired land to existing provincial road	100m x 10m	Tervaut land owners [REDACTED] Various land users from Unmet and Brenwe growing plantation trees and other crops	Agricultural assets : trees, fruits, roots vegetables, and other crops	MOA made with land owners provides free access over the land. Agricultural assets official valued for compensation purposes. Payment to be made prior to construction commencing. .
3	Power Station road from western boundary of acquired land to existing road	2.5km x10m	Wiaru land owners [REDACTED]). Various land users from Wiaru village, Unmet and Brenwe growing plantation trees and other crops	Agricultural assets : trees, fruits, roots vegetables, and other crops	MOA with land owners provides free access over the land Agricultural assets official valued for compensation purposes. Payment to be made prior to construction commencing.
4	Road reserve for 22kV transmission line.	23 km	Existing provincial road	Not yet determined, anticipated there will be impacts on some trees.	In progress Awaiting detailed engineering designs. Separate completion report to be prepared.

58. The following was the implementation schedule for land acquisition and resettlement planning activities undertaken by the GoV:

Table 5: Implementation Schedule

No	Activities	Progress / date completed
1	Confirmation of land requirement and consultation/information disclosure with landowners/APs	Completed 2017
2	Land survey and valuation	Completed 2018
3	Confirmation of landowners by the Customary Lands Management Office (CLMO)	Completed 2018
4	Submission to Department of Lands (DOL) of land survey report and to prepare for formal negotiation with landowners/APs and budget allocation for land acquisition	Completed 2018
5	Negotiation with landowners/APs: consultation with affected landowners to negotiate for land acquisition/purchase.	Completed 2018

No	Activities	Progress / date completed
6	Agreement on land acquisition/purchase and approval by the government on allocation and release of fund for land compensation payment	Completed. Funds deposited in COTA February 2019.
7	Vanuatu Project Management Unit (VPMU) in coordination with Department of Energy (DOE) and DOL updates the LARP including agreements on compensation rates with landowners and discloses updated LARP to APs.	In progress. Updates done in September 2017, September 2018, February 2019, June 2019.
8	VPMU submits the updated LARP to ADB for approval and posting on ADB website	Completed and Published June 2019. Next update in progress
9	Execution of land acquisition and payment of compensation	In Progress: Land owners' funds deposited in COTA yet to be uplifted by land owners. Awaiting land registration.
10	VPMU submits to ADB a land acquisition and compensation completion report	This Report covers the Brenwe HPP Subproject, specifically the hydropower facility and two access roads. Construction can proceed for these components.
11	VPMU submits safeguard monitoring reports	Ongoing: January to June 2020 reporting period and semi-annual safeguard monitoring reports submitted.

III. INFORMATION DISCLOSURE, CONSULTATIONS, AND PARTICIPATION

A. Stakeholders

59. There are several categories of project stakeholders for the VEAP and the BHPP in particular: landowners, traditional leaders, private sector, non-government organisations (NGOs) and community groups, including women and youth. Several Government agencies and their ministers are also stakeholders, including the Department of Lands and Natural Resources, the Ministry of Agriculture Forestry and Fisheries, the Ministry of Infrastructure and Public Utilities, and the VPMU.

60. The Government agencies are committed to providing support in achieving government's target of increasing renewable energy sources for the country; thus, they are willing to provide necessary support to acquire required land for the BHPP. The Government is committed to develop an alternative energy source to lessen dependence on imported oil and be able to sustain viability of its investment.

61. Key stakeholders' specific interests are:

- (i) **Provincial government/council.** Supportive of the proposed hydropower subproject. They would like to see the subproject to start as soon as possible. Consultations have been going on for some time.
- (ii) **Affected landowners/claimants.** Interested to benefit from access to power and cash compensation for affected land. They would like to see the subproject to start as soon as possible.
- (iii) **Women's groups.** Benefits from access to electricity, and employment/income

- opportunities.
- (iv) **Communities around the sites.** Supportive of the government's project to develop alternative sources of reliable and affordable power supply to stabilise power tariffs and also benefit from improved government services such as health, agriculture and education. Communication will also be improved with availability of power, in particular use of technological devices, such as mobile phones, that are powered by electricity.
 - (v) **Youth groups.** Access to information, skills, and employment opportunities.
 - (vi) **Business groups.** Access to cheaper and reliable source of power supply.

B. Community Consultations Held⁸

62. As part of social surveys and assessments during the PPTA phase, consultations with stakeholders and communities were carried out during field visits over March-April 2014 with follow-up in February 2016, and continuing with project design work in 2017, 2018 and 2019.⁹

63. Stakeholder consultations were carried out through meetings with key officers at offices of different government and non-government agencies in Lakatoro and at village council offices. Key respondent interviews and focus group discussions were conducted on-site in the villages and local residents' homes.

64. More than 10 stakeholder consultation meetings were conducted in Malekula during the PPTA and involved at least 200 officials/participants from various agencies, i.e., Lands Department, Environment Authorities, Statistics Office, utility offices, landowners/claimants/APs, women's groups etc. The list of officials/stakeholders consulted at that time is presented in Appendix 5. The consultations included both discussions with stakeholders and discussions with community/island/provincial level authorities including APs, traditional and elected leaders, and women's groups from the subproject sites.

65. During PPTA Safeguards Team site visit, the village councils in Unmet and Brenwe areas and the island (Malekula) and Malampa provincial councils confirmed general awareness of the proposed hydro subproject and general site locations. Details of consultations carried out during PPTA field visits are presented in Table 6 following.

Table 6: Stakeholder/Community Consultations during Visits of Subproject Sites

Date / Venue	No. of participants/ organisations	Activities/Issues discussed/remarks ¹⁰
19 March 2014 – Malampa Provincial Office	12 officials of province.	Discussion of objectives and concerns of Project; requirement for support in terms of data /site access.
19 March 2014 at open ground in Unmet village	More than 100 participants – women health/school teacher, chief, farmers, villagers.	Re Brenwe HPP, Environmental and Social Safeguards, scope of land acquisition and

⁸ Appendix 5 provides records of community consultations.

¹⁰ Queries raised by people were answered to their satisfaction and it was assured that their concerns would be addressed in the process of project design.

Date / Venue	No. of participants/ organisations	Activities/Issues discussed/remarks¹⁰
		willingness to participate in the project. Concerns on benefits for the community.
April-May 2014 at provincial and community levels	Various informants: landowners/claimants, lease holders, officials, women groups, etc.	Socioeconomic concerns; demand/need for projects, satisfaction with power services, etc.
29 April 2014 – Malampa Provincial Office	4 officials of province including Secretary General Samuel +3, Chairman Council of Chiefs, Brenwe landowners.	Brief on scope of project; clarifications with landowner and council of chiefs, emphasis on clear resolution of land issues and requirement to have formal MOA agreeing in principle to access to sites and negotiations to procure land for the Brenwe HPP.
First week of May 2014- communities within Brenwe HPP	4 focus group discussions composed of 10-15 people per group.	Environment and social issues; concerns on land acquisition and compensation, community development issues such as livelihood and income opportunities, gender and participation concerns, access to power and willingness to participate in the project.
First week of May 2014 - communities within Brenwe HPP	60-80sample of households including APs.	Socioeconomic profile of households, issues and concerns re environment and land acquisition and willingness to participate.
February 2016	30 persons including officials and landowners.	Follow up meeting on proposed project and land issues around hydro site.
September 2018	6 groups of landowners, officials.	Stantec team, with DOE, VPMU, and provincial council support. Checking on progress on land acquisition process, compliance with ADB social safeguards policy, AP project understanding and consent, responses to land valuation, responses to alternative site access proposals, and capacity for project implementation – to update the LARP.
December 2018	4 out of the 8 land users/claimants at Brenwei	VPMU, DOE, DOL and Malampa provincial support. Consultation on MOA for land for access roads to the boundary of the 30ha land for project site.
February 2019	Owner of Tervaut land (Brenwe River left bank)	VPMU – Follow up on letter of objection to valuation report and response from DOL. Clarification on internal conflicts among landowners.
February & March 2019	All 6 BHP Land Claimants, Land Users and all relevant communities	VPMU, DOE, DOL and Malampa provincial support. Consultation and execution with TPV on MOA for land for access roads to the boundary of the 30ha land for project site, General community awareness and consultations on the subproject

Date / Venue	No. of participants/ organisations	Activities/Issues discussed/remarks ¹⁰
		and extent of transmission and distribution network from Leviamp, Brenwe, Unmet to Lambubu and Kona Point.
February 2020	3 officials of the Malampa Provincial Government (MPG)	VPMU, DOE, DSC and Contractor paid courtesy visit to Malampa Provincial Government after the signing of the construction contract. The Contractor visited project site to review potential camp locations and logistics planning. No formal consultations with AP's held.
June 2020	50 participants at Unmet and Wiaru	Updated contract details of community groups and stakeholders including project landowners, land-users, village chiefs and council members of North West area, council of women members, local women's groups, school principals, church pastors and key business operators.
August 2020	Over 100 villagers participated in another round of project update awareness, including officials of the MPG	Update on project status to villages of Lambubu, Unmet, Wiaru, Temnel (Kona Point) and Tautu. Establishment of the Community Advisory Committee (CAC). Valuation assessment of trees and crops along the site access roads alignments.

66. Overall, the BHPP land claimants and village and island leaders have expressed support for the project. Potential APs are willing to allow the Government to acquire their land to construct hydropower infrastructure. They entered into a memoranda of agreement (MoA) with the GOV accordingly.

67. On issues raised, some stakeholders were concerned about the location of the transmission line and site access routes. The failed hydro development project in the 1990s by a foreign company had attempted to short-cut the connection of transmission lines from the power plant to the Norsup-Lakatoro road by cutting across valuable agricultural lands and in the process cut down valuable trees and damaged crops. The ensuing outrage resulted in stoppage of the project and consequent withdrawal of the foreign developer from the partially completed project. During consultations during the PPTA, assurance was sought that the current design for the BHPP would route the transmission lines alongside the existing Provincial road and avoid valuable areas. Such assurances were provided by the MOE, the VPMU, and Stantec and included in the published LARP. The local communities subsequently expressed strong support for the project.

68. Regarding the access roads to the project site area, one of the APs, [REDACTED], raised concern that an access road through his coconut plantation and cattle farm would increase the likelihood of theft, and therefore requested that the access roads be monitored and access be restricted during the implementation of the project. The [REDACTED], the declared landowners of the Tervaut land, also requested they be included in discussions regarding access roads through Tervaut land. These discussions were held in February 2019. During construction, management of access to the site will be the responsibility of the contractors and it has been included in the Contractors Environmental Management Plan.

C. Consultation Process Used During the LARP Preparation

69. The LARP was prepared in close ongoing consultation with representatives of the potentially affected parties and is recorded here to demonstrate the Government's commitment that the APs be well informed of the subproject and the processes involved in the Land Acquisition. The various project teams visited the affected site, most recently with the visit of the Stantec design team members in August and September 2018, the VPMU, DOL, and DOE on 25 to 28 February 2019 and the VPMU and Stantec consultants in February and August 2020. The following consultations were conducted:

- (i) meetings with provincial and villages officials as well as concerned landowners/claimants on the need for agreement (MOA) on allowing access to the proposed site and willingness to sell land for the project (May 2014);
- (ii) meeting with representatives of the affected landowners/claimants, village leaders, provincial council (April- May 2014) - Issues discussed are presented in Annex 3;
- (iii) meeting with representative of Department of Lands in order to discuss the processes by which the Government acquires the land according to the laws of Vanuatu (April 2014);
- (iv) consultation with the Valuer General's office regarding compensation entitlements and valuations;
- (v) meeting to update the MOA with landowners and claimants in Lakatoro, including meeting with representatives from CLMO, DOL and Provincial Government (February 2016);
- (vi) various visits by the Acquiring Officer and other officials to provide information, and deliver and discuss notices required under the regulations of the Land Acquisition Act (during 2017 and 2018);
- (vii) update of the LARP as part of the Stantec design work which included site visits and discussions with BHPP land claimants and GOV stake-holding officers (September 2018); and
- (viii) representatives from DOE, VPMU, Lands Department made Community consultations and awareness with the execution with TPV on MOA for land for access roads into the boundary of the 30ha land for project site; general community awareness and consultations on the subproject; and extent of Transmission and Distribution network from Leviamp, Brenwe, Unmet to Lambubu and Kona Point. An Information Booklet of the Project was prepared in the three languages and handed out during this major consultation (February 2019).

**Figure 1: Landowners and Land Users Meeting (Unmet, June 2020)
and Public Awareness (August 2020, at same location)**



70. As part of the detailed design and further updating of the LARP, additional information gathering and consultation with the affected landowners and land users and their families was carried out in February, June, and August 2020 to ensure full stakeholder participation in project preparation as per the Communication, Consultation and Participation Plan (CCPP), and as required by the ADB safeguards policy.

71. The landowners and communities along the transmission line and grid extension sites will be consulted during the design of these elements. APs will be entitled to compensation for affected structures, crops, trees and gardens. The terms of the compensation will be decided in a consultative process with those affected. Options suggested to date include official valuation and cash compensation for losses, preference for employment on the transmission line clearance and construction given to affected persons, and mixes of these. This task will be carried out by the VPMU in coordination with the Malampa Provincial Government, other project approval and land acquisition agencies, and the power distribution concessionaire.

D. Disclosure of LARP

72. The LARP was prepared based on PPTA findings and consultations with concerned stakeholders particularly the potentially affected/land claimant households. Consultations on the draft LARP were carried out with the potentially APs, provincial government, and other local stakeholders during the preparation of the Memorandum of Agreement (MOA).

73. The LARP was updated and disclosed on June 2019 and a further update may be required for the transmission line planning and construction, depending on the timing of the latter work. A copy of the June 2019 LARP is available at the DOE and DOL offices in Port Vila and provincial government offices in Malekula and has been published on the ADB project website as required by the Bank's safeguards policy.

74. As part of the legal requirements and compliance with the ADB safeguards policy the DOE, and DOL has ensured all the required Schedule notices to date for a compulsory land acquisition for public purposes under the Land Acquisition Act (LAA) have been issued in a timely and informative manner and full records of any disclosures, requirements, and consultations with APs regarding the land acquisition and LARP preparation have been kept. At each key stage in the acquisition process the responsible agencies have conducted, and will continue to conduct awareness activities in affected communities in order to ensure the community residents, especially those who are illiterate, are kept informed and able to participate in the project.