



## **Resettlement Framework**

### **Liberia Electricity Sector Strengthening and Access Project – LESSAP Phase 2 P180498**

**Final Version  
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**LIBERIA ELECTRICITY CORPORATION (LEC)  
AND  
RURAL AND RRENEWABLE ENERGY AGENCY (RREA)**

## **A. Introduction**

1. This document constitutes a simplified template for a Resettlement Framework (RF) prepared for a Low or Moderate Risk project, consistent with requirements of the World Bank Environmental and Social Framework.<sup>1</sup> Its fundamental purpose is to establish terms of agreement between relevant authorities in [the Government of Liberia and the World Bank regarding principles and procedures to be used in subsequent preparation of a Resettlement Plan (RPs).<sup>2</sup> World Bank approval of an RP (or RPs) is required before project authorities invite bids for any contracts in which works are expected to involve physical or economic displacement as a result of land acquisition or restrictions on access or use of natural resources.

2. ESS5 is currently deemed not relevant for the project, but this RF is prepared as it is mentioned as a requirement in the Financing Agreement. The RF is prepared as a precautionary approach. The project will be restructured in the case that the project will result in involuntary land acquisition, including access restrictions as outlined in ESS5.

The RF is also intended to avoid or minimize any adverse impacts associated with physical or economic displacement, and to ensure arrangements are in place to mitigate any adverse impacts that may occur. The [Government of Liberia] hereby agreed to apply the principles, procedures, and standards incorporated in ESS5 of the World Bank ESF if obtaining any sites for project use would cause economic displacement<sup>3</sup> or physical displacement.<sup>4</sup>

3. This RF is intended to utilize the existing legal and policy framework of the Government of Liberia, incorporating any supplementary measures necessary to achieve consistency with ESS5 principles and standards.<sup>5</sup>

## **B. Project Objectives and Description**

4. The objective of the Liberia Electricity Sector Strengthening and Access Project Phase 2 (LESSAP 2), as outlined in the Project Appraisal Document (PAD), is to expand access to electricity services and enhance the operational performance of the Liberia Electricity Corporation (LEC). This will be measured by the increase in people provided with access to electricity, improvements for micro, small, and medium enterprises (MSMEs), electrification of public institutions, and the reduction of non-technical losses at LEC.

5. The Liberia Electricity Sector Strengthening and Access Project (LESSAP) Phase 2 aims to expand access to electricity services and enhance the operational performance of both the Liberia Electricity Corporation (LEC) and the Rural and Renewable Energy Agency (RREA). Running from 2024 to 2029, the project aligns with Liberia's National Electrification Strategy (NES), which seeks to achieve universal electricity access by 2030. It also supports the World Bank's broader objectives of poverty reduction, shared prosperity, and climate resilience. The Project will target two key areas in Liberia's energy sector, grid electrification mainly in the Capital Monrovia and economic corridors of Kakata and Bomi counties implemented by LEC,

and off-grid solar electrification in health centers and remote communities to be spearheaded by Liberia's Rural and Renewable Energy Agency (RREA).

LESSAP phase 2 has three main components and subcomponents. Components 1&3 are implemented by LEC while component 3 (off-grid) is implemented by RREA. The components and subcomponents are as follows:

**Component 1: Rehabilitation and Expansion of Electricity Infrastructure and Systems and Enhancement of LEC Revenue Protection (IDA US\$ 19.5 million):** This component will expand the rehabilitation and expansion of the electricity infrastructure and systems, and further enhance the LEC financial performance.

**Subcomponent 1a:** Rehabilitation and expansion of the distribution network (IDA US\$ 6.5 million).

**Subcomponent 1.b:** Revenue Protection Program (IDA US\$13 million)

**Component 2: Off-grid Electrification of Households, Public Facilities, and Stimulation of Productive Uses in Rural Areas (IDA US\$ 20.5 million; ESMAP grant US\$ 3 million; private sector co-financing US\$ 1.5 million).** This component will scale up the activities under the first phase off-grid electrification component with a focus on mobilizing private capital. Due to the groundwork laid out in phase one, the second phase would focus on accelerating the off-grid activities and devising methods of sustainability through private sector participation.

**Subcomponent 2.a:** Electrification of public facilities in rural areas (IDA US\$ 6 million): This includes electrification of health and education facilities.

**Subcomponent 2.b:** Deployment of solar home systems for households and off-grid productive uses (IDA US\$ 10 million, ESMAP grant US\$ 1.5 million)

**Component 3: Technical Assistance, training and capacity building of project implementation support (IDA US\$ 5 million, ESMAP grant US\$ 2 million):** This component will cover the cost of strengthening the capacity of LEC Project Management Team (PMT) to manage and monitor implementation activities. It will include financing the cost of specialized consultants (technical, financial, procurement, audit, safeguards, etc.) and project staff to support the PMT, the preparation of technical design and safeguards documents, community engagement and sensitization programs, working on inclusivity and implementation of a gender actions plan, among others. In addition, a Transaction Advisory (TA) contract will be financed to support the tendering of 70MWp of solar power generation.

By supporting these components, LESSAP Phase 2 contributes to the Government of Liberia's efforts to improve electricity access and reliability across the country. The project will have a transformative impact on both LEC's grid infrastructure and RREA's off-grid electrification activities, fostering sustainable development, promoting economic growth, and improving the livelihoods of Liberia's population.

6. ESS5 is currently deemed not relevant for the project, but this RF is prepared as it is mentioned as a requirement in the Financing Agreement. It's prepared as a precautionary

approach. The project will be restructured in the case that the project will resulting in involuntary land acquisition, including access restrictions as outlined in ESS5.

### **C. Key Principles and Definitions**

7. In World Bank-assisted projects, borrowers are expected to take all feasible measures to avoid or minimize adverse impacts from land acquisition and restrictions on land use associated with project development. The fundamental objective of ESS5 is to ensure that, if physical or economic displacement cannot be avoided, displaced persons (as defined below) are compensated at the replacement cost for land and other assets, and otherwise assisted as necessary to improve or at least restore their incomes and living standards.

8. Other ESS5 objectives include:

- a) To avoid forced eviction<sup>6</sup>
- b) To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure<sup>7</sup>
- c) To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project warrants
- d) To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

9. Displaced persons (ESS5, Para. 10) are defined as any persons subjected to project-related adverse impacts who (a) have formal legal rights to land or assets; (b) 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. The term incorporates all potential categories of persons affected by land acquisition and associated impacts; all of those adversely affected are considered “displaced” under this definition regardless of whether any relocation is necessary.

10. Replacement cost (ESS5, Para. 2, footnote 6) is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement materials and labor for construction of structures or other fixed assets, plus all transaction costs associated with asset replacement. In all instances where physical displacement results in loss of substandard shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets minimum community standards of quality and safety.

11. ESS5 also establishes key principles to be followed in resettlement planning and

implementation. These include:

- a) All displaced persons are entitled to compensation for land and attached assets, or to alternative but equivalent forms of assistance in lieu of compensation; lack of legal rights to the assets lost will not bar displaced persons from entitlement to such compensation or alternative forms of assistance.
- b) Compensation rates refer to amounts to be paid in full to the eligible owner(s) or user(s) of the lost asset, without depreciation or deduction for fees, taxes, or any other purpose.
- c) Compensation for land, structures, unharvested crops, and all other fixed assets should be paid prior to the time of impact or dispossession.
- d) When cultivated land is to be taken for project purposes, the [LEC and RREA seek to provide replacement land of equivalent productive value if that is the preference of the displaced persons.
- e) Community services and facilities will be repaired or restored if affected by the project.
- f) Displaced persons should be consulted during preparation of the RP, so that their preferences are solicited and considered.
- g) The RP (in draft and final versions) is publicly disclosed in a manner accessible to displaced persons.
- h) A grievance mechanism by which displaced persons can pursue grievances will be established and operated in a responsive manner.
- i) Negotiated settlement processes are acceptable as an alternative for legal expropriation if appropriately implemented and documented.<sup>8</sup>
- j) Land donation is acceptable only if conducted in a wholly voluntary manner and appropriately documented.<sup>9</sup>
- k) The LEC and RREA bear official responsibility for meeting all costs associated with obtaining project sites, including compensation and other considerations due displaced persons. The RP includes an estimated budget for all costs, including contingencies for price inflation and unforeseen costs, as well as organizational arrangements for meeting financial contingencies.
- l) Monitoring arrangements will be specified in the RP, to assess the status and effectiveness of RP implementation.

#### **D. Legal and Regulatory Framework**

12. RAP preparation according to national regulations and ESF and where there are discrepancies, the most stringent requirement applies.

13. The Government of Liberia *agrees* to take all actions necessary to ensure full and effective implementation of RPs prepared in accordance with the RF, and to otherwise take actions necessary to achieve all relevant provisions of ESS5.

#### **E. Preparing a Resettlement Plan**

14. All projects causing physical or economic displacement through land acquisition or project-related restrictions on resource access or use are required to prepare a resettlement plan for World Bank approval. Responsibility for preparation and implementation of the RP (or RPs)

rests with the [name of implementing agency]. As necessary, the LEC and RREA will exercise their authority to coordinate actions with any other involved agencies, jurisdictions, or project contractors to promote timely and effective planning and implementation.

15. RP preparation begins once the physical footprint of a proposed investment has been determined, establishing that a particular site (or sites) must be acquired for project use. The LEC or RREA initially screens proposed sites to identify current usage and tenurial arrangements and identifies the site (or sites) that will minimize physical and economic displacement. The LEC or RREA subsequently carries out, or causes to be carried out, a census survey to identify and enumerate all displaced persons on the selected site (or sites) and to inventory and value land and other assets that are to be acquired for project use.

16. Each RP is based on the principles, planning procedures, and implementation arrangements established in this RF,<sup>10</sup> and normally includes the following contents:

- a) Description of the project (with appropriate maps and illustrations), including explanation for the necessity of acquiring particular sites for project use and efforts undertaken to avoid or minimize the amount of land acquisition or other potential impacts deemed necessary
- b) Results of a census survey of displaced persons and inventory and valuation of affected land and assets
- c) Description of any project-related restrictions on resource use or access
- d) Description of tenure arrangements, including collective, communal, or customary use or ownership claims
- e) Review of relevant laws and regulations pertaining to acquisition, compensation, and other assistance to displaced persons, and identification of gap-filling measures needed to achieve ESS5 requirements
- f) Description of land and asset valuation procedures and compensation standards for all categories of affected assets
- g) Eligibility criteria for compensation and all other forms of assistance, including a cutoff date for eligibility
- h) Organizational arrangements and responsibilities for RP implementation
- i) Implementation timetable
- j) Estimated budget and financial contingency arrangements
- k) Consultation and disclosure arrangements
- l) Description of grievance mechanism
- m) Arrangements for monitoring implementation progress.

The RP should be complemented by a separate set of individual compensation files for each displaced household or persons. These files are to be handled confidentially by the borrower to avoid any prejudice to displaced persons. In fragility, conflict, and violence (FCV) environments, RPs should also clarify procedures to be applied to ensure the security of displaced persons when they receive compensation payments.

Eligibility criteria for compensation and all other forms of assistance should be clearly summarized in a table that can be used for consultation with displaced persons (see example provided in Annex).

Additional planning measures must be incorporated into RPs for projects causing physical displacement, or significant economic displacement, as described below.

17. For projects causing physical displacement,<sup>11</sup> the RP should include planning measures relating to the following, as relevant for project circumstances:

- a) Description of relocation arrangements, including options available to displaced persons, and including transitional support for moving or other expenses
- b) Description of resettlement site selection, site preparation, and measures to mitigate any impacts on host communities or physical environment, including environmental protection and management
- c) Measures to improve living standards and otherwise address particular needs of relocating poor or vulnerable households, including measures to ensure that replacement housing is at least consistent with minimum community standards and is provided with security of tenure
- d) Description of project design measures to improve living standards, access to or functioning of community services or facilities, or for providing other project-related benefits
- e) Any measures necessary to address impacts of resettlement on host communities.

18. For projects causing significant economic displacement,<sup>12</sup> the RP describes (as relevant):

- a) The scale and scope of likely livelihoods-related impacts, including agricultural production for consumption or market, all forms of commercial activity, and natural resource use for livelihoods purposes
- b) Livelihoods assistance options (for example, employment, training, small business support, assistance in providing replacement land of equivalent productive value, other) available to persons losing agricultural land or access to resources
- c) Assistance measures available to commercial enterprises (and workers) affected by loss of assets or business opportunities directly related to land acquisition or project construction
- d) Project measures to promote improvement of productivity or incomes among displaced persons or communities.

## **F. Consultation and Disclosure Arrangements**

19. Because ESS5 is deemed currently not relevant and no involuntary land acquisition is foreseen, there are no project affected people to consult with at the moment. Consultation will be undertaken as per Stakeholder Engagement Procedures if involuntary land acquisition is expected. This RF will be disclosed on the LEC website (website)

## **G. Monitoring and Evaluation**

20. RREA and LEC will make arrangements for monitoring implementation and will provide periodic monitoring reports to the Bank regarding the status of land acquisition and implementation of the RP. For projects with significant impacts, competent resettlement monitoring professionals will monitor implementation progress and provide advice on any necessary corrective actions and will conduct an implementation review when all mitigation measures in the RP are substantially complete. The implementation review evaluates the effectiveness of mitigation measures in achieving RP and ESS5 objectives and recommends corrective measures to meet objectives not yet achieved.

## **H. Grievance Mechanism**

21. To ensure that displaced persons can raise complaints regarding the land acquisition process, calculation or payment of compensation, provision of assistance, or other relevant matters, the RP provides for an accessible and responsive grievance mechanism. The RP describes submission procedures, organizational arrangements, and responsive performance standards for handling grievances, and measures to be taken to inform displaced persons or communities about grievance initiation and response standards. The grievance mechanism does not preclude displaced persons from pursuing other legal remedies available to them.

22. The RREA and LEC keep a record of all complaints referred to the grievance mechanism, including a description of issues raised and the status or outcome of the review process.



## Endnotes

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<sup>1</sup> Specifically, Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS5), Annex 1B. The template is primarily intended for use in projects initially classified as Low or Moderate Risk. It may also be appropriate for use in projects with a Substantial Risk classification if risks identified as substantial do not relate directly to ESS5.

<sup>2</sup> To ensure that the relevant authority is aware of its obligations, it is recommended that the RF be accompanied by a provision of a transmittal letter, signed by the chief executive (or similar relevant authority) of the implementing agency.

<sup>3</sup> As described in ESS5, Paras. 33–36.

<sup>4</sup> As described in ESS5, Paras. 26–32.

<sup>5</sup> The RF does not supersede provisions of ESS5 or the ESF, and the World Bank remains solely responsible for determining what is required to achieve consistency with those requirements throughout the course of project implementation.

<sup>6</sup> Defined as the removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures in ESS5.

<sup>7</sup> Security of tenure means that displaced persons are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are at least as robust as those they had prior to displacement.

<sup>8</sup> Appropriate principles for negotiated settlement transactions include (a) intended project sites are screened to identify competing claims to ownership or use, or other encumbrances that would impede two-party negotiations; (b) if the site is collectively or communally owned or used, the negotiation process includes those individuals or households who directly occupy or use it; (c) prior to negotiations, owners or users are informed by project authorities of their intent to obtain relevant land (and other assets) for project use; (d) owners or users are informed of their rights and options to pursue legal remedies or other actions, and sign a declaration indicating willingness to negotiate; (e) at the onset of negotiations, project negotiators present the owner or user with a proposed package of compensation or other beneficial considerations, along with an explanation as to the basis of this initial offer; (f) owners or users are informed that they may make counterproposals as they may see fit; (g) negotiations are conducted without resort to coercion or intimidation in any form; (h) an agreement establishing payment amounts or other agreed considerations is written, signed, and recorded; (i) payment of compensation and provision of any other agreed considerations is completed prior to taking possession for project use; and (j) owners or users retain the right of access to the grievance mechanism if they have complaints regarding any aspect of the negotiated settlement process.

<sup>9</sup> Any land or asset donation for project use will be consistent with these principles: (a) the potential donor is informed that refusal is an option, and that right of refusal is specified in the donation document the donor will sign; (b) donation occurs without coercion, manipulation, or other pressure on the part of public or traditional authorities; (c) the donor may negotiate for some form of payment, partial use rights, or alternative benefits as a condition for donation; (d) donation of land is unacceptable unless provision is made to mitigate any significant impacts on incomes or living standards of those involved; (e) donation of land cannot occur if it were to necessitate any household relocation; (f) for community or collective land, donation can only occur with the consent of individuals directly using or occupying the land; (g) the land to be donated is free of encumbrances or encroachment by others who may be adversely affected; (h) any donated land that is not used for its agreed purpose by the project is returned to the donor in a timely manner; and (i) each instance of land donation is documented, including a statement identifying the land or assets donated and terms of donation, which is signed by each owner or user. Persons donating land or assets for project use may use the project grievance mechanism to raise complaints regarding any aspect of the donation process.

<sup>10</sup> Additional details regarding preparation of an RP are included in ESS5, Annex 1.

<sup>11</sup> Additional details regarding planning measures for physical displacement are provided in ESS5, Annex 1, paras. 17–23.

<sup>12</sup> Consideration of scale of loss of productive assets as well as changes in institutional, technical, cultural, economic, and other factors may be important in determining the significance of economic displacement. In general practice, however, loss of 10 percent or more of productive land or assets from a household or enterprise often is considered significant. Additional details regarding planning measures for economic displacement are provided in ESS5, Annex 1, paras. 24–29.