

# Road Construction Activities Improve Lives of Mbinga Residents

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For many years, rainy seasons caused treacherous road conditions in the Mbinga district of Tanzania. Residents could spend up to three days traveling 100 kilometers on a rutted, slippery road to reach the market center in the regional capital. There, Mbinga residents sold their produce and purchased necessary commodities and other services.

Poor transportation infrastructure in Mbinga has been a contributing factor to high commodity prices and, inversely, low income from agricultural products. This situation has discouraged farmers' efforts to expand crop production. The poor transportation network also prohibits access to and delivery of health and education services.



*Jesca Lupembe used to live and run a small restaurant along the Peramiho-Mbinga Road. During MCC-funded road rehabilitation, Jesca participated in MCA-Tanzania's resettlement program. The funds and financial counseling she received helped her to build a new, updated restaurant, pictured here, and a new home for her family.*

On February 17, 2008, Tanzania signed a \$698.1 million compact with the U.S. Millennium Challenge Corporation (MCC) to improve transportation, energy and water infrastructure. Upgrading the road from Peramiho Junction to Mbinga is one of the projects funded as part of the compact. Under the compact, MCA-Tanzania (MCA-T), the implementing entity, manages resettlement and compensation of residents affected by road construction.

In cases like this in which resettlement is unavoidable, MCC leads industry best practices in requiring considerable investment in planning to ensure that, through the resettlement process, displaced persons are able to improve their livelihoods and standards of living and share in program benefits. During the MCC resettlement planning process, communities and affected persons are given meaningful opportunities to participate in planning and implementing resettlement programs, and are assisted in their efforts to improve their livelihoods and living standards.

The improved road in Tanzania will provide people in the Mbinga district reliable access to schools and health centers and will promote the expansion of economic opportunities by reducing transportation costs.

Jesca Lupembe, a mother of seven children, has a restaurant in Peramiho Junction at one end of the MCC-funded road. The restaurant is the family's major source of income. When Jesca first heard the news that her home and restaurant were in the area to be resettled, she was concerned about her business. Through education and



*Jesca in her old restaurant, before participating in the MCA-Tanzania resettlement program.*

outreach conducted by MCA-T officials, however, she learned that the carefully designed Resettlement Action Plan (RAP) would address displacement, resettlement and compensation issues related to project implementation and would minimize any disruption to her and her neighbors' daily lives and livelihoods.

MCA-T experts on resettlement conducted regular consultations with a wide range of project stakeholders, including individuals and groups affected by the project. Community meetings were also conducted to ensure transparency in all activities related to land acquisition, resettlement and rehabilitation to confirm affected persons' preferences for how replacement of land, houses, lost assets, trees and crops were to be handled, and to provide independent financial

advice and counseling for those who received cash or in-kind compensation.

As part of the process for developing plans to resettle and compensate affected parties, MCA-T's resettlement experts assessed properties and valuations of affected properties along the Peramiho Junction–Mbinga road. When assessments were completed, each affected person signed compensation agreements with MCA-T detailing the amount to be paid for compensation and the resident's choice as to whether that compensation was to be received as cash or in-kind. Compensation levels are determined by market values for properties in the area and costs of replacing existing structures.

With guidance from MCA-T, Jesca Lupembe, the restaurant owner, used her funds to build a new restaurant that can accommodate more customers and includes a modern restroom with a flush toilet. She also was able to build a new home with more space for her children, new windows and doors to improve ventilation and a modern toilet.

Jesca's customers include long-haul vehicle drivers who drive along the Peramiho Junction–Mbinga road. Her restaurant features homemade chicken soup, cornmeal porridge (ugali), water, and soft drinks. Before her resettlement, Jesca earned about USD \$17 per day; now, after constructing a more modern restaurant, she earns up to USD \$34 per day. When the new road is completed, Jesca expects to earn even more.



*Jesca poses in front of her family's new home during construction.*

"I owned a small business [and a] house along the road; I received compensation and managed to construct a new modern restaurant with two small huts, [and] renovated my house to a big and modern one," Jesca said. "MCC has really helped to increase my income and improve my family's life status. I am happy with the [compensation process] procedures."

Jesca's story is echoed by community members throughout the Mbinga district. For these residents, the road is improving individuals' well-being and, in opening up access to regional markets, is expected to accelerate economic growth in the district and the region at large.

*MCC follows the World Bank's Operational Policy 4.12 on Involuntary Resettlement. For more information, read MCC's [Guidance for Environmental and Social Assessment Due Diligence](http://www.mcc.gov) at [www.mcc.gov](http://www.mcc.gov).*