



Road construction activities improve lives of Mbinga residents

Roadside residents have benefited from the compensation

For many years, residents of Mbinga district have been spending up to three days during rainy season travelling 100 kilometers on a slippery road to the market centre in regional capital to sell their produce and purchase necessary commodities and other services.

Poor transport infrastructure has been a contributing factor for high prices of commodities and inversely lower income from of agricultural products. This situation has demoralized farmer's efforts to expand crop production. On the other hand, access to and deliveries of health and education services have also been affected by poor transportation network.

On February 17th 2008, Tanzania signed \$698.1 million grant with Millennium Challenge Corporation (MCC) of Government of the United States of America to improve transport, energy and water infrastructure. This is a five years development package designed to undertake projects impacting on poverty alleviation.

Upgrading of Peramiho Junction to Mbinga road to bitumen standard is one of the projects funded by MCA-T through MCC Compact. MCC funds have also been used to compensate Project Affected Persons (PAPs) with the aim of improving their well being. The construction of the road will provide reliable access for people in Mbinga district to schools and health centers as well as promoting the expansion of economic opportunities by reducing transport costs and thus increasing the incomes of poor people and peasants.



The story of **Jesca Lupembe**, a mother of seven children has been running a restaurant at Peramiho Junction as a major income source for the family. Residents along the road were informed about resettlement activities to pave way for upgrading of the Peramiho Junction to Mbinga road to bitumen standard. When the news was initially broken to her, Jesca was very worried about her business. Through MCA-T officials, she learned that Resettlement Action Plan (RAP) will be developed to resolve the displacement, resettlement/or compensation issues related with the project implementation and will not put Project Affected Persons(PAPs) worse off than they were before commencement of the project.

MCA-T experts on resettlement conducted regular consultations with a wide range of project stakeholders, including individuals and groups affected by the project, either positively or negatively including the host community. Meetings were also conducted to ensure transparency in all activities related to land acquisition, resettlement and rehabilitation, confirm PAPs preferences for how replacement of land, houses, lost assets, trees and crops will be handled and provided independent financial advice or counseling for PAPs who receive significant cash compensation or in-kind.

MCA-T seconded teams successfully managed to make assessment of properties and valuations of affected properties along Peramiho Junction – Mbinga road. Finally, each PAP signed Contract Agreement Form which shows amount to be paid for compensation, her/his choice whether in-kind or cash, if she/he has bank account or not, when did she/he expected to move/vacate from the project area.

Jesca Lupembe, a businesswoman owning a restaurant at Peramiho Junction along Songea - Mbinga Road is one of the PAPs who were resettled to allow expansion of the road. Jesca used the fund from compensation package to significantly improve her home by adding two bedrooms, new and wider windows and doors to improve ventilation and a modern toilet. On her business side she used the money to build a new restaurant which now has two huts on its sides and can accommodate 20 more customers at a time as well as a modern toilet.



Jesca's improved residential house



Jesca's new restaurant

Jesca's core customers are long vehicle drivers who drive along Songea-Mbinga road to whom she sells chicken soup, hard porridge (ugali), water and soft drinks. Before compensation, she used to get about 17 USD per day, but after constructing a modern restaurant she now vends food and soft drinks up to 34 UDS per day. She is expecting to earn more during road construction and beyond.

Jesca has also used the money to purchase a motorcycle which is used by her husband as a *taxi* to earn income.



According to her, the motorcycle brings a profit of approximately 4 USD a day, and that she can use the money to purchase school uniforms for her children, pay for medical services and they are now living in a bit big and modern house.

She says *“I owned a small business house along the road; I received compensation and managed to construct, a new modern restaurant with two small huts, renovated my house to a big and modern one, and I also used the same money to purchase a motorcycle. MCC have really helped to increase my income and improve my family’s life status. I am happy with procedures which were applied for the compensation”*

Jesca is not the only person who benefited with compensation from MCC funds which aim at reducing poverty through economic growth.

Another prominent beneficiary along Peramiho– Mbinga road is Susan Nindi, a resident of Likuyufusi village reported *“the coming of this project has contributed much in raising our income; we have received fair compensation for our properties. I was compensated for trees which were along the road and used the money to buy a bicycle and other equipment to support my business. I am proud now I can use my bicycle to carry a large quantity of products for sell and also save time to reach market places. Before that I used to walk which made me spent a lot of time on the road and could not sell a large quantity of products at one time.”*

In general, for residents of Mbinga district in Ruvuma Region, paving this road means a lot to the wellbeing of individuals and will speed up economic growth of the district and Ruvuma region at large.