

The logo for the Asian Development Bank (ADB), consisting of the letters 'ADB' in a white, serif font centered within a dark blue square.

Handbook on Resettlement

A Guide to Good Practice

Asian Development Bank

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Foreword

This Handbook has been prepared for use by Bank staff, especially operational staff, consultants and staff of developing member country (DMC) executing agencies who play a role in resettlement planning and management in Bank-funded projects.

This Handbook is intended to complement the Bank's policy on Involuntary Resettlement approved by the Bank's Board in November 1995. The Handbook describes the resettlement process and operational requirements within the Bank's project cycle. The Handbook is one of a series of publications that address the integration of social dimensions into Bank operations.

The Handbook has nine chapters. Chapter 1 summarizes the Bank's Policy, introduces the concept of resettlement losses, reviews likely resettlement effects in different project types, introduces the project cycle, and addresses some common questions in planning land acquisition and resettlement.

Chapter 2 situates resettlement planning in the context of the Bank's project cycle. It advises on the contents of full and short resettlement plans, and when to use each format. Checklists highlight the actions to be taken for resettlement at each stage of the project cycle. Chapter 3 elaborates upon key resettlement planning concepts, including the policy framework, entitlements, planning resettlement for vulnerable groups, social preparation phases, budgets, and time lines.

Chapter 4 identifies opportunities for consultation with stakeholders during resettlement planning and implementation, especially with people affected. Chapter 5 explains the main data collecting methods and their application to resettlement planning and implementation: census, surveys, and participatory rapid appraisals.

Planning for relocation of housing and communities forms the basis of Chapter 6. Chapter 7 reviews income restoration strategies. Chapter 8 discusses the Institutional Framework. Internal and external monitoring and evaluation form the subject of Chapter 9. Most chapters end in a summary format and checklist showing key points for action in the project cycle. The Appendices contain further reading, sample terms of reference, information on resettlement policies in selected DMCs, and sample monitoring formats.

We hope that this Handbook, which also draws upon examples of good practice in Bank projects, will meet the needs of planners and implementers to ensure that people affected by resettlement are at least as well off after the project as they were before it. We hope it leads to new ideas and approaches to restoring living conditions and livelihoods, including for vulnerable groups.



Kazi F. Jalal

Chief, Office of Environment and Social Development
Asian Development Bank

Abbreviations

ADB	Asian Development Bank (“Bank”)
APs	Affected persons
BME	Benefit monitoring and evaluation
CBO	Community-based organization
DMC	Developing member country
EA	Executing agency
EIA	Environmental impact assessment
GRC	Grievance redress committee
ISA	Initial social assessment
LAR	Land acquisition and resettlement
LAS	Land acquisition survey
M&E	Monitoring and evaluation
MRM	Management Review Meeting
NGO	Nongovernment organization
OESD	Office of Environment and Social Development
PPTA	Project preparatory technical assistance
PRA	Participatory Rapid Appraisal
PRC	People’s Republic of China
RP	Resettlement plan
RRP	Report and Recommendation of the President
SES	Socioeconomic survey
SOCD	Social Development Division
SRC	Staff Review Committee
TA	Technical assistance
TOR	Terms of reference

Glossary

Affected person (or household)	People (households) affected by project-related changes in use of land, water or other natural resources
Compensation	Money or payment in kind to which the people affected are entitled in order to replace the lost asset, resource or income
Expropriation	Government's action in taking or modifying property rights in the exercise of sovereignty
Eminent domain	Regulatory measure by government to obtain land
Entitlement	Range of measures comprising compensation, income restoration, transfer assistance, income substitution, and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base
Host population	Community residing in or near the area to which affected people are to be relocated
Income restoration	Reestablishing income sources and livelihoods of people affected
Involuntary resettlement	Development project results in unavoidable resettlement losses, that people affected have no option but to rebuild their lives, incomes and asset bases elsewhere
Relocation	Rebuilding housing, assets, including productive land, and public infrastructure in another location
Rehabilitation	Re-establishing incomes, livelihoods, living, and social systems
Replacement rates	Cost of replacing lost assets and incomes, including cost of transactions
Resettlement effect	Loss of physical and non-physical assets, including homes, communities, productive land, income-earning assets and sources, subsistence, resources, cultural sites, social structures, networks and ties, cultural identity, and mutual help mechanisms
Resettlement plan	A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation

Social Preparation	Process of consultation with affected people undertaken before key resettlement decisions are made, to build their capacity to deal with resettlement
Usufruct	The right to use and profit from land belonging to others or to a larger entity, e.g., to a tribe, community or collective
Vulnerable groups	Distinct groups of people who might suffer disproportionately from resettlement effects

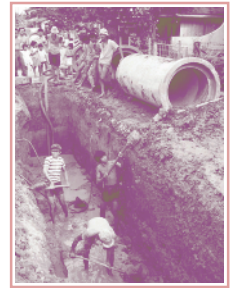
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1

Introduction



This chapter introduces the concept of resettlement losses and summarizes the Bank's policy on Involuntary Resettlement. Some common questions that often arise in resettlement planning are also addressed.

Resettlement Losses

Bank-funded projects that change patterns of use of land, water, and other natural resources can cause a range of resettlement effects. Resettlement losses most often arise because of land acquisition, through expropriation and the use of eminent domain or other regulatory measures, to obtain land. Housing, community structures and systems, social networks, and social services can be disrupted. Productive assets, including land, income sources, and livelihoods can be lost. Cultural identity and potential for mutual help may be diminished. Loss of resources for subsistence and income may lead to exploitation of fragile ecosystems, hardship, social tensions, and impoverishment. In urban areas, displaced people might swell a growing squatter population. The people affected have no option, and must try to rebuild their lives, incomes, and asset base elsewhere.

To ensure that some people are not disadvantaged in the process of development, the Bank tries to avoid or minimize resettlement effects. If resettlement is unavoidable, the Bank helps restore the quality of life and livelihoods of those affected. There may also be opportunities to improve the quality of life, particularly for vulnerable groups. All kinds of resettlement losses need mitigative measures, as set out in Table 1.1.

Table 1.1
Major Types of Resettlement Loss and Mitigative Measures Required

Type of Loss	Mitigative Measures
Loss of productive assets, including land, income and livelihood	Compensation at replacement rates, or replacement, for lost incomes and livelihoods. Income substitution and transfer costs during reestablishment plus income restoration measures in the case of lost livelihoods
Loss of housing, possibly entire community structures, systems, and services	Compensation for lost housing and associated assets at replacement rates; relocation options including relocation site development if required; plus measures to restore living standards
Loss of other assets	Compensation at replacement rates or replacement
Loss of community resources, habitat, cultural sites, and goods	Replacement if possible, or compensation at replacement rates; restoration measures

The Bank's Involuntary Resettlement Policy

Until recently, the social and environmental impacts of displacement caused by Bank-financed projects were largely addressed by using the Bank's *Guidelines for Social Analysis*¹ and *Environmental Assessment*². In February 1994, the President instructed Bank staff to apply the World Bank's Operational Directive 4.30 on Involuntary Resettlement³ to all aspects of involuntary resettlement in Bank projects. The adoption of the Bank's own policy on Involuntary Resettlement (November 1995) formalizes and strengthens the Bank's approach to this issue. The main objectives and principles of the policy are summarized in Box 1.1. The full policy is included in Appendix 1.

Resettlement in Different Project Types

Resettlement effects result from a wide range of project types. Small plots of land required for schools or health centers may create limited resettlement effects. Long alignments

Box 1.1

Objectives and Principles of ADB Involuntary Resettlement Policy

- Involuntary resettlement should be avoided where feasible.
- Where population displacement is unavoidable, it should be minimized by exploring all viable project options.
- People unavoidably displaced should be compensated and assisted, so that their economic and social future would be generally as favorable as it would have been in the absence of the project.
- People affected should be informed fully and consulted on resettlement and compensation options.
- Existing social and cultural institutions of resettlers and their hosts should be supported and used to the greatest extent possible, and resettlers should be integrated economically and socially into host communities.
- The absence of a formal legal title to land by some affected groups should not be a bar to compensation; particular attention should be paid to households headed by women and other vulnerable groups, such as indigenous peoples and ethnic minorities, and appropriate assistance provided to help them improve their status.
- As far as possible, involuntary resettlement should be conceived and executed as a part of the project.
- The full costs of resettlement and compensation should be included in the presentation of project costs and benefits.
- Costs of resettlement and compensation may be considered for inclusion in Bank loan financing for the project.

Source: *Involuntary Resettlement*, Asian Development Bank, Manila, November 1995.

¹ *Guidelines for Social Analysis of Development Projects* (June 1991); this was replaced by *Guidelines for Incorporation of Social Dimensions in Bank Operations* in October 1993.

² *Environmental Assessment Requirements and Environmental Review Procedures of the Asian Development Bank*, Asian Development Bank, Manila, 1993.

³ *Operational Directive 4.30 on Involuntary Resettlement*, The World Bank, 1990.

Table 1.2
Resettlement in Different Project Types

Sector	Project Components likely to have Resettlement Effects
Transport	<ul style="list-style-type: none"> • Road or rail alignment • Associated stations, terminals, bridges • Airports, seaports, river ports
Power and energy	<ul style="list-style-type: none"> • Transmission alignment • Power generation plants, transmission stations, substations, and access roads • Hydroelectric power reservoirs
Water supply and sanitation	<ul style="list-style-type: none"> • Reticulation systems • Pumping stations, treatment sites • Reservoirs for water supply
Solid waste	<ul style="list-style-type: none"> • Transfer stations, landfill sites
Urban renewal	<ul style="list-style-type: none"> • Urban infrastructure sites
Health	<ul style="list-style-type: none"> • Sites for hospitals, clinics, teaching facilities
Education	<ul style="list-style-type: none"> • Sites for schools, training institutions, etc.
Irrigation and Flood control	<ul style="list-style-type: none"> • Canal alignments; protective embankments, and associated works • Dams
Mining operations	<ul style="list-style-type: none"> • Strip mining
Forestry developments	<ul style="list-style-type: none"> • Reforestation, industrial plantations, forest closure
Parks, conservation sites	<ul style="list-style-type: none"> • National parks or biodiversity areas

They have no option but to reestablish elsewhere. People can also be affected through exposure to health and safety hazards which then force them to relocate.

What is the difference between voluntary and involuntary resettlers?

Voluntary resettlers are generally self-selected, young, and willing to pursue new opportunities. Involuntary resettlers are people of all ages, outlooks and capabilities, many of whom have no option but to give up their assets. Bank policy designates involuntary resettlers as requiring assistance.

What constitutes fair compensation?

Bank policy equates compensation to the “without” project situation, implying that replacement rates are required. People affected should be at least as well off after resettlement as they were before. Replacement costs are equal to market costs plus transaction costs only if the markets reflect reliable information about prices and availability of alternatives to the assets lost.

Would payment of compensation by itself be sufficient recompense?

Not necessarily. Most governments have policies, laws, and regulations requiring compensation for people losing assets, yet these might not be sufficient to restore livelihoods and living standards as required by Bank policy. Generally, to meet the Bank’s policy to restore the economic and social base, people losing livelihood need three things: compensation for lost assets and income; transfer and relocation assistance; and help to rehabilitate and restore their lives. Compensation at replacement rates would usually suffice if neither livelihood nor housing is threatened.

When a project does not involve relocation of housing, is a Resettlement Plan needed?

If assets are lost and livelihoods affected, Bank policy counts this as a resettlement effect, for which there should be a RP.

Is cash the only appropriate mode of compensation for land acquisition?

Cash for land acquisition has never been a satisfactory mode of compensation if it is not paid at replacement values. There is also the risk that APs might spend their cash quickly and become impoverished, or that women’s and children’s subsistence needs might not be met if cash compensation is paid to the head of the household. In many cases, land-based resettlement programs work better than non-land options. Where there is insufficient replacement land of reasonable quality, income-generating and retraining schemes may be suitable alternatives. The aim is to establish multiple options to enable APs to select the best option to restore their lost incomes.

Is it necessary to consult with people affected?

Yes. The people affected are ultimately the best placed to select the strategies which will, often, bring dramatic change to their lives. They may well have a much better sense than

an outsider of what will work for them, and their participation is likely to lead to a greater sense of ownership and more sustainable solutions. Bank policy states that social preparation is an important process for reducing tension and obtaining cooperation when resettlement is likely to cause social resistance, or when vulnerable people are displaced.

Are people without formal title or rights to be assisted?

Yes, if they are APs. The Bank policy is inclusive; it recognizes all persons affected by the project as eligible for compensation and rehabilitation irrespective of legal or ownership titles. For example, Bank policy covers sharecroppers or tenant farmers losing user rights; users depending on customary land use rights but without formal land title; seasonal migrants; and squatters. The amount and level of compensation and other benefits depend on the nature of losses incurred by individual households. Where people affected lose access to hitherto unregulated resources such as forests, waterways, or grazing lands, they should be provided with replacements in kind. Measures to restore incomes and living standards can substitute for compensation payments in public safety zones, providing that such measures are sufficient to meet the policy objective. However, landlords who had gained illegal rents from public safety zones would not be compensated.

How can land speculation be contained?

The Bank and the borrower will agree on a specific cut-off date for determining eligibility for entitlements. The Bank's policy states that genuine APs, whether titled or not, should be identified at the earliest possible point in project preparation. This would normally be the census or survey which is undertaken during the PPTA Feasibility Study. Aerial mapping or review of land use records can provide a valuable supplement to the survey work in separating genuine from non-genuine cases.

Are people affected indirectly eligible for compensation?

A definition of "indirectly" affected people is required, both for identification and implementation purposes. The basis for defining eligibility is the direct loss of assets, subsistence, or income affecting livelihood. To set the limits, the indirect impact of the project should be reviewed and considered carefully. Special measures to assist vulnerable groups might be introduced, even if formal compensation payments are not required under the policy.

What are the time limits to the Bank policy?

Bank policy states that resettlement should be dealt with from the earliest stages of the project cycle. It is good practice to resolve any past inequities before Bank investment proceeds. Because complete recovery from relocation and income loss can take a long time, M&E might be required well after APs are relocated, sometimes even after project facilities are commissioned and Bank financing is complete.



If communities volunteer land for project works, does the policy apply?

Bank policy would not be applied in cases where communities volunteer small parcels of land in exchange for project benefits, such as health clinics, schools, water supplies, or

irrigation channels, providing that there are no squatters on the land, that the owners and users verify publicly that they agree to provide the land for project purposes, and that grievance redress mechanisms are in place.

Does temporary land borrow count under the Bank policy?

People affected temporarily are counted as APs and must be compensated and assisted accordingly. However, they would not be counted in determining the number affected for level of significance. Temporary losses might include land or assets borrowed during construction (for borrow pits, quarries, work sites, temporary access, or storage), loss of crops and income foregone on agricultural land, loss of housing or community services, loss of business income due to construction work, or loss of wages to employees. If the losses are to be prolonged, it might be better to count them as permanent losses.

Is a Resettlement Plan required for all Bank projects involving resettlement?

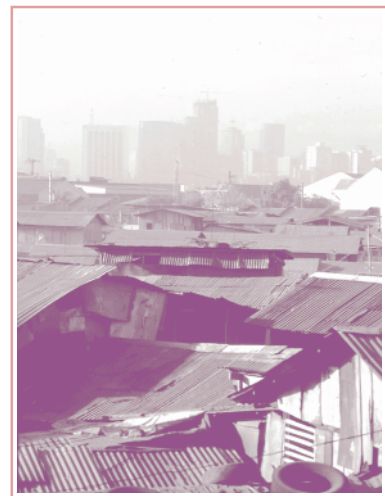
Yes. Bank policy applies to all resettlement impacts, regardless of the numbers of people involved or the level of severity experienced. However, the level of details contained in the documentation varies according to the target group, complexity, scale, and severity of resettlement.

Are co-financed projects subject to Bank policy?

Yes. Where Bank investment is used to finance projects, Bank policy applies. Many other donors have resettlement policies that are similar to those of the Bank. It is good practice for donors to agree on resettlement standards, both to safeguard the interests of the people affected and to reduce the complexity for the executing agency (EA) involved. Bank policy also applies to loans to development finance institutions.

Are Resettlement Plans required for private sector projects?

Yes. Bank policy applies to private sector projects that involve involuntary resettlement. Usually the private developer responsible for executing the project prepares the RP, with the approval of the government agency exercising eminent domain. A policy and procedural framework for resettlement is required if there are multiple subprojects. Project agreements would legally bind private sector partners to Bank policies.



When is a Resettlement Plan due in the project cycle?

A preliminary assessment of the scope of land acquisition and the likely effects is due during project identification. At ISA, the Mission Leader decides on the time, effort, and resources required to prepare the RP, and defines the scope of the terms of reference (TOR) to prepare the RP during the PPTA Feasibility Study. Bank policy requires that a summary RP is included in the draft RRP for MRM, and the full resettlement plan before Appraisal. A summary RP must also be included in the final RRP for circulation to the Board.

- Involve all stakeholders in a consultative process, especially all affected persons, including vulnerable groups.
- Compensate all affected persons, including those without title to land, for all their losses at replacement rates.
- Where relocation of housing is required, develop relocation options in consultation with affected persons and host communities, in order to restore living standards.
- Where people will lose income and livelihoods, establish appropriate income restoration programs with objectives to improve, or at least restore, their productive base.
- Provide a social preparation process for people affected when they are vulnerable, or when there is social tension associated with displacement.
- Prepare a time-bound RP with appropriate provisions and sources of funding before appraisal, with a summary RP before MRM. Include a summary resettlement plan in the draft RRP to the Board.
- Involve specialists in resettlement and social sciences, and people affected, in the planning, implementation, and monitoring of the RP.

2 The Resettlement Plan in the Project Cycle



- A RP, with time-bound actions and budget, is required for every project in which there are resettlement effects.
- The resources, time and effort put into resettlement will be commensurate with the overall resettlement impact.
- A summary RP should be included in the draft RRP for MRM and in the RRP for Board circulation whenever there are resettlement effects.

Deciding on the Type of Resettlement Plan

Bank policy applies to all resettlement impacts, regardless of the numbers of people involved or the level of severity experienced. The policy introduces the concept of “significance” in resettlement.

Box 2.1

Concept of Significance in Resettlement

“Significant” is defined as meaning:

- 200 people or more will experience resettlement effects;
- 100 people or more who are experiencing resettlement effects are indigenous people or vulnerable as defined in the policy (for example, female-headed households, the poorest, isolated communities, including those without legal title to assets, and pastoralists); or
- more than 50 people experiencing resettlement effects are particularly vulnerable, for example, hunter-gatherers. The Projects Department concerned would decide, in consultation with the Social Development Division (SOCD), if a full RP is required.

A full RP is required when resettlement effects are significant. When resettlement is significant, Bank staff should assist the government and other project sponsors to:

- adopt and implement the policy objectives and principles within their own legal, policy, administrative, and institutional frameworks;
- build the capacity of the government and other project sponsors effectively to plan and implement involuntary resettlement;
- strengthen the DMC’s capacity and macro frameworks for involuntary resettlement;
- assist the government and other project sponsors in preparing and submitting to the Bank, before loan appraisal, a satisfactory RP with time-bound actions and budgets; and
- inform the government of the Bank’s policy.

The full RP would include (i) objectives, policies, and strategies; (ii) organizational responsibilities; (iii) community participation and integration with host populations; (iv) socioeconomic survey; (v) the legal framework including mechanisms for resolution of conflicts and appeals procedures; (vi) identification of alternative sites and selection; (vii) valuation of and compensation for lost assets; (viii) landownership, tenure, acquisition, and transfer; (ix) access to training, employment, and credit; (x) shelter, infrastructure, and social services; (xi) environmental protection and management; and (xii) implementation schedule, budget, and M&E. It would also specify measures taken to minimize or avoid resettlement effects. It may include a social preparation phase.

When resettlement effects are “significant” in a sector loan, one of the sample subprojects should be appraised prior to the time of the loan appraisal mission, and the RRP would include, in addition to the standard requirements concerning resettlement, the resettlement criteria for subproject eligibility and an outline of the full RP which would be applicable to other subprojects having resettlement effects. When resettlement effects are not significant in a sector loan, the Bank will not require a RP

Table 2.1
Full Resettlement Plan – Significant Resettlement

Severity	Number of Affected Persons
Loss of productive and other assets (including land), incomes, and livelihoods	200 plus
Loss of housing, community structures, systems, and services	200 plus
Loss of household or community resources, habitat, sites	200 plus
APs are indigenous people or in some other way vulnerable, e.g., the poorest, isolated communities, households headed by women, those without legal title to assets, pastoralists	100 plus
Cases of “insignificant” resettlement having special target group or other sensitivities	50 plus

for a subproject prior to the loan appraisal mission, and standard requirements (a summary discussion of resettlement) will be satisfied in the RRP. In a loan to a development finance institution or institutions, the RRP should include an assurance that the lender will follow the Bank’s resettlement policy as well as other relevant policies such as those relating to environmental protection, gender, indigenous peoples, and participatory development.

Projects with insignificant resettlement effects, as determined by the Projects Department concerned and SOCD, will have a short RP. In the case of minor resettlement matters, this plan needs to be from half a page to two pages in length. The Bank may assist in the preparation of the RP.

The short RP would, as necessary, (i) summarize the numbers affected and extent of losses; (ii) the policies and legal framework applicable; (iii) arrangements made for asset valuation, compensation, relocation, rehabilitation, and environmental protection; (iv) responsibilities in delivering



Requirement
<ul style="list-style-type: none"> • Compensation at replacement costs, transfer and income substitution for down time, income restoration measures
<ul style="list-style-type: none"> • Compensation at replacement rates, transfer assistance and relocation plans, measures to restore living standards
<ul style="list-style-type: none"> • Replacement if possible, restoration, compensation.
<ul style="list-style-type: none"> • Social preparation phase — special measures might be required to ensure full rehabilitation
<ul style="list-style-type: none"> • For example, 50 hunter-gatherers require a full RP • Social preparation phase — special measures might be required to ensure full rehabilitation <p><i>For projects in this category:</i></p> <ul style="list-style-type: none"> ❖ Inform government and other project sponsors on Bank’s resettlement policy ❖ Assist government in implementing Bank’s resettlement policy within their own legal and institutional framework. ❖ Strengthen capacity of government and other project sponsors to plan and implement resettlement. ❖ Help strengthen national macro framework for resettlement. ❖ Resolve any outstanding differences with Bank’s policy. ❖ Assist government or other project sponsors to prepare a RP before loan appraisal. ❖ Prepare a summary RP for draft RRP for MRM and for RRP for Board circulation, based on Full RP. ❖ Include information on resettlement in the project profile.

Table 2.2
Short Resettlement – Insignificant Resettlement

Severity	Number of Affected Persons
Loss of productive and other assets (including land), incomes and livelihoods	below 200
Loss of housing, community structures, systems, and services	below 200
Loss of household or community resources, habitat, sites	below 200
APs are indigenous people or in some other way vulnerable, e.g., the poorest, isolated communities, households headed by women, those without legal title to assets, pastoralists	below 100
APs have special sensitivities or are particularly vulnerable	below 50

Table 2.3
Sector Projects

Severity	Number of Affected Persons
Project as a whole is expected to have significant resettlement effects as described above in full RP	As for full RP

and monitoring entitlements; (v) costs; (vi) time frame for land acquisition and resettlement measures; and (vii) consultation and grievance mechanisms for people affected.

The time and effort required to prepare a RP will be commensurate with the scale and magnitude of the resettlement problem. The Bank's policy states that:

"The preparation of a resettlement plan may require 2-4 weeks of local consultant inputs for a simple project involving resettlement of a small number of people, whereas a plan involving larger number of people to be resettled in a complex project may require about 15 months of staff and consultant inputs in addition to the inputs of the executing agencies, and may take up to 2 years".

Table 2.4

Full Resettlement Plan: A Recommended Outline

Topic	Contents
Scope of land acquisition and resettlement	<ul style="list-style-type: none"> • Describe, with the aid of maps, scope of land acquisition and why it is necessary for main investment project. • Describe alternative options, if any, considered to minimize land acquisition and its effects, and why remaining effects are unavoidable. • Summarize key effects in terms of land acquired, assets lost, and people displaced from homes or livelihoods. • Specify primary responsibilities for land acquisition and resettlement.
Socioeconomic information	<ul style="list-style-type: none"> • Define, identify and enumerate people to be affected. • Describe likely impact of land acquisition on people affected, taking into account social, cultural, and economic parameters. • Identify all losses for people affected by land acquisition. • Provide details of any common property resources. • Specify how project will impact on the poor, indigenous people, ethnic minorities, and other vulnerable groups, including women, and any special measures needed to restore fully, or enhance, their economic and social base.
Objectives, policy framework, and entitlements	<ul style="list-style-type: none"> • Describe purpose and objectives of land acquisition and resettlement. • Describe key national and local land, compensation and resettlement policies, laws, and guidelines that apply to project. • Explain how Bank Policy on Involuntary Resettlement will be achieved. • State principles, legal and policy commitments from borrower executing agency for different categories of project impacts. • Prepare an eligibility policy and entitlement matrix for all categories of loss, including compensation rates.
Consultation, and grievance redress participation	<ul style="list-style-type: none"> • Identify project stakeholders. • Describe mechanisms for stakeholder participation in planning, management, monitoring, and evaluation. • Identify local institutions or organizations to support people affected. • Review potential role of nongovernment organizations (NGOs) and community-based organizations (CBOs). • Establish procedures for redress of grievances by people affected.
Relocation of housing and settlements	<ul style="list-style-type: none"> • Identify options for relocation of housing and other structures, including replacement housing, replacement cash compensation, and self selection. • Specify measures to assist with transfer and establishment at new sites. • Review options for developing relocation sites, if required, in terms of location, quality of site, and development needs.

Topic	Contents
	<ul style="list-style-type: none"> • Provide a plan for layout, design, and social infrastructure for each site. • Specify means for safeguarding income and livelihoods. • Specify measures for planned integration with host communities. • Identify special measures for addressing gender issues and those related to vulnerable groups. • Identify any environmental risks and show how these will be managed and monitored.
Income restoration strategy	<ul style="list-style-type: none"> • Identify livelihoods at risk. • Develop an income restoration strategy with options to restore all types of livelihoods. • Specify job opportunities in a job creation plan, including provisions for income substitution, retraining, self-employment and pensions, where required. • Prepare a plan to relocate and restore businesses, including income substitution, where required. • Identify any environmental risks and show how these will be managed and monitored.
Institutional framework	<ul style="list-style-type: none"> • Identify main tasks and responsibilities in planning, negotiating, consulting, approving, coordinating, implementing, financing, monitoring and evaluating land acquisition and resettlement. • Review the mandate of the land acquisition and resettlement agencies and their capacity to plan and manage these tasks. • Provide for capacity building, including technical assistance, if required. • Specify role of NGOs, if involved, and organizations of APs in resettlement planning and management.
Resettlement budget and financing	<ul style="list-style-type: none"> • Identify land acquisition and resettlement costs. • Prepare an annual budget and specify timing for release of funds. • Specify sources of funding for all land acquisition and resettlement activities.
Implementation schedule	<ul style="list-style-type: none"> • Provide a time schedule showing start and finish dates for major resettlement tasks. • Show how people affected will be provided for before demolition begins.
Monitoring and evaluation	<ul style="list-style-type: none"> • Prepare a plan for internal monitoring of resettlement targets, specifying key indicators of progress, mechanisms for reporting, and resource requirements. • Prepare an evaluation plan, with provision for external, independent evaluation of extent to which policy objectives have been achieved. • Specify participation for people affected in M&E.

Table 2.5

Short Resettlement Plan: A Recommended Outline

Topic	Contents
Scope of land acquisition and resettlement	<ul style="list-style-type: none"> • Describe alternative options, if any, considered to minimize land acquisition and its effects, and why the remaining effects are unavoidable. • Summarize key effects in terms of land acquired, assets lost, and people displaced from homes or livelihoods.
Objectives, policy framework, and entitlements	<ul style="list-style-type: none"> • Describe key national and local land, compensation and resettlement policies, laws, and guidelines that apply to project. • Explain how Bank policy on Involuntary Resettlement will be achieved.
Consultation, and grievance redress participation	<ul style="list-style-type: none"> • Describe consultation processes and procedures for redress of grievances.
Compensation, relocation, and income restoration	<ul style="list-style-type: none"> • Describe arrangements for valuing and disbursing compensation. • Describe arrangements for housing relocation, including transfer and establishment. • Describe income restoration measures to be implemented. • Identify any environmental risks, describe management and monitoring steps.
Institutional framework	<ul style="list-style-type: none"> • Identify main tasks and responsibilities in planning, managing and monitoring land acquisition and resettlement.
Resettlement budget and financing	<ul style="list-style-type: none"> • Identify land acquisition and resettlement costs and funding sources.
Implementation schedule	<ul style="list-style-type: none"> • Provide time schedule showing how people affected will be provided for before demolition begins.
Monitoring and evaluation	<ul style="list-style-type: none"> • Specify arrangements for M&E.

Table 2.6
**Land Acquisition and Resettlement in the Project Cycle:
 Key Action Points for Sector Loans/Subprojects**

Stage in Project Cycle	Key Action Point
Initial Social Assessment	<ul style="list-style-type: none"> • As for 2.7
TORs for PPTA Feasibility Study	<ul style="list-style-type: none"> • If resettlement effects are likely to be “significant”, commission a full RP for one or more subsector project(s).
PPTA <ul style="list-style-type: none"> • Feasibility study for one or more subprojects with resettlement effects • Bank assists government to prepare RP 	<ul style="list-style-type: none"> • <i>For selected subprojects:</i> <ul style="list-style-type: none"> ✦ As for 2.7 • <i>For remaining subprojects:</i> <ul style="list-style-type: none"> ✦ Broadly assess the scope of likely resettlement e.g., using survey or rapid appraisal. ✦ Develop subproject screening criteria to minimize resettlement effects. ✦ Develop appraisal and selection criteria to address any such effects which remain. ✦ Prepare outline of RP for other subprojects.
MRM	<ul style="list-style-type: none"> • Review complete subproject RP(s), outline RP, summary RP and SOCD comments.
Appraisal	<ul style="list-style-type: none"> • Finalize and agree on subproject RPs. • Verify cut-off date for entitlements. • Prepare assurance on land acquisition and resettlement.
Staff Review Committee (SRC)	<ul style="list-style-type: none"> • Review complete subproject RP(s), outline RP, summary RP and SOCD comments
Loan negotiations	<ul style="list-style-type: none"> • Verify progress in subproject RP(s), schedule, and assurances covering both complete and outline subproject RPs. • Prepare for TA during implementation, if required.
Subproject implementation Role of EAs (and purpose of TA)	<ul style="list-style-type: none"> • Develop RP for subprojects after technical design. • Implement RP. • Monitor RP according to M&E plan. • Involve APs and NGOs as specified in the RP.
Supervision Role of Bank staff	<ul style="list-style-type: none"> • Approve projects against resettlement criteria. • <i>For sector loans with large-scale resettlement:</i> <ul style="list-style-type: none"> ✦ Conduct semi-annual reviews of resettlement. ✦ Conduct in-depth midterm review of progress. ✦ Report in Project Performance Report. • <i>For other sector loans involving resettlement:</i> <ul style="list-style-type: none"> ✦ Conduct annual review of resettlement. ✦ Conduct in-depth midterm review of progress. ✦ Report in Project Performance Report.
Project completion	<ul style="list-style-type: none"> • Conduct post-resettlement evaluation. • Continue supervision and monitoring, if required.

Table 2.7

Land Acquisition and Resettlement in the Project Cycle: Key Action Points

Stage in Project Cycle	Responsibility
Initial Social Assessment PPTA Fact-Finding or earlier	Mission Leader (Consultant)
PPTA Feasibility Study	Consultant with DMC resettlement planners
Draft RRP for the MRM	Mission Leader, SOCD
Before appraisal	Government or private project sponsor
Appraisal	Mission Leader
Final RRP for Board circulation	Mission Leader, SOCD
Project Profile	Mission Leader
Loan negotiations	Mission Leader
Implementation	Projects Department, DMC personnel
Monitoring and reporting	Projects Department, DMC personnel

3 Resettlement: Key Planning Concepts



The key planning concepts to be taken into account when developing a RP are:

- the policy framework — does it already exist or are new policies needed?
- defining entitlements and eligibility — who will receive compensation and rehabilitation and how will these measures be structured?
- gender planning — are the needs of women taken into consideration?
- social preparation — will the needs of indigenous peoples and vulnerable groups be met?
- budget — how will land acquisition and resettlement be financed?
- time line — how will land acquisition and resettlement fit into the overall development project schedule?

Avoiding or Minimizing Resettlement

Some projects can be redesigned to avoid resettlement effects. For example, a water supply project planning to use a reservoir source might, instead, draw on groundwater or river offtakes. This might avoid widespread disruption for isolated communities in environmentally vulnerable areas. Resettlement effects can be minimized through careful technical design. Alignments for roads, railways, power lines, canals, and embankments can be altered to reduce resettlement effects in heavily populated areas or in productive agricultural lands. Rights of way can sometimes be narrowed. Sites for infrastructure or borrow pits can be carefully selected to use land of low value. Water and sewerage pipes can be sited along existing road corridors. The dam height for reservoir projects might be lowered to reduce the inundation area, while still providing reasonable storage. Buffer walls might be utilized to minimize noise or other environmental effects which might otherwise have led to relocation.

Policy Framework

Bank policy covers all categories of APs and requires the borrower (EA or other project sponsor) to pay for land and all other assets affected by the project, together with measures for income restoration and relocation. However, land compensation and resettlement policies vary widely among DMCs (see Appendix 3 for descriptions of resettlement policies in selected DMCs).

Each of the Bank's DMCs has its own framework for land acquisition through eminent domain and other regulatory measures, reflecting historical, social, and economic parameters. This framework comprises policies, laws, and guidelines. In most countries, this framework defines procedures for land expropriation and for compensation. Land collectivization (as in the People's Republic of China (PRC) and Viet Nam,

for example) is a basic parameter shaping such frameworks. In such countries, where there is no private ownership of land, people affected are entitled to receive compensation on the principle of “user rights” to land, with land compensation often being paid through the collective entity.

The Bank’s policy emphasizes the need, not just for compensation at replacement rates to restore lost assets, but also for measures to restore living standards and livelihoods, so that people are not disadvantaged by resettlement. Many DMCs lack specific resettlement legislation which provides for such measures. This issue is often addressed during project preparation for resettlement.

Bank policy includes those who do not have formal title to their assets. Land acquisition laws might not recognize the rights of tenants, sharecroppers, wage laborers, agricultural laborers, squatters, vendors, indigenous or tribal people, and women without any legal rights as people entitled to compensation and rehabilitation measures. This issue is also often addressed on a project basis during project preparation.

Developing a Resettlement Policy

In the absence of national or state legal and policy frameworks for eligibility and entitlements, new policies may be required. The Mission Leader, during project preparation, should assess the existing policies to decide whether new sets of eligibility and entitlement measures are needed to meet the Bank’s policy objectives.

Table 3.1

Identifying Requirements for Resettlement Policy and Capacity Building during Project Preparation

Issue	Yes	No
Does borrower/EA already have a resettlement policy?		*
Do existing land acquisition and compensation policies cover all losses and categories of APs?		*
Do these policies meet Bank standards?		*
Do existing policies need to be modified?	✓	
Are government and EA willing to adapt policy to achieve project-specific solutions?	✓	
Does EA have any previous resettlement planning and implementation experience?		*
Is there any need for institutional capacity building?	✓	
Are there agencies aside from EA to be involved in resettlement planning and implementation?	✓	
Does borrower/EA have adequate budgetary resources to meet all expenses involving resettlement planning and implementation?		*

During project identification and Fact-Finding missions, the Mission Leader should establish an inclusive policy for assisting all categories of APs affected by land acquisition. This will require:

- an assessment of the need for measures to restore livelihoods and living standards;
- an assessment of the likely impact on APs without formal title;
- development of a new eligibility and entitlement policy for consideration and approval by the borrower or EA.

Box 3.1

Possible Impacts on APs without Land Titles or Ownership Rights

- **Tenants/sharecroppers:** loss of lease and tenancy interests in land due to acquisition; loss of improvements and crops on land
- **Landless/wage laborers:** loss of employment opportunities from affected land
- **Squatters and vendors:** loss of employment or income from relocation
- **Indigenous or tribal peoples:** loss of traditional land rights and subsistence incomes
- **Women and especially female heads of households:** loss of access to land or assets of family members having formal title.

Source: Adapted from *India: Handbook for Resettlement and Rehabilitation*, The World Bank, 1994.

Requirements

- Review existing land acquisition and compensation policy.
- Project-specific policies to be initiated to cover losses and categories identified for this project.
- Both policy and institutional development necessary.
- Identify the issues and discuss with EA.
- Review policy provisions, discuss and obtain assurances to achieve project specific solutions.
- Review institutional capacity for resettlement planning and implementation.
- Provide TA for capacity building.
- Identify other agencies, local and national NGOs and CBOs and their roles in resettlement planning and implementation. Identify additional capacity building measures if necessary.
- Discuss budgetary provisions and sources of funding. Consider augmenting funds with Bank financial assistance.

The nature of impacts experienced by nontitled persons will come from the census and surveys.

An assessment of the existing land acquisition and resettlement policies includes a review of the following components:

- land compensation based on replacement value;
- compensation for structures, business or commercial premises, and other immovable assets;
- compensation for crops, including tree crops;
- compensation for impact on employment and incomes, including income restoration;
- provision for land and other income-generating resources;
- house plots at resettlement sites and house building assistance;
- social services, amenities, and infrastructure development at resettlement sites;
- relocation and transfer costs, and subsistence allowance to allow re-establishment; and
- group-specific income restoration plans, when appropriate.

In most cases, new and project-specific policies are developed to extend benefits to all APs and to comply with Bank's requirements. The Masinloc/Northern Luzon Transmission Project is a test case (Box 3.2).

Defining Entitlement and Eligibility

Some key concepts must be defined early in the planning process to establish criteria of eligibility and entitlement for APs. This will reduce confusion in data collection and facilitate delivery of support and services to the entitled persons.

Box 3.2

Resettlement in Masinloc: A Test Case

The Northern Luzon Transmission and Generation Project¹ has several components funded separately by the Bank and the World Bank. The three Bank-funded 230–500 kV substations included under Part A2 of the Project will affect approximately 55 ha of land, as well as 60 households and 46 structures. The World Bank-funded 500 kV transmission line will affect 1,463 ha of land, 231 households and 230 structures. The Bank's involvement in Masinloc/Northern Luzon resettlement review and planning began in mid-1994 and constitutes a test case in terms of devising improved policies for compensation, relocation allowances, livelihood programs for APs, grievance procedures, and consultation with affected communities. Further, National Power Corporation, the implementing agency for the projects, has approved corporate Guidelines for resettlement and instituted a Social Engineering Department to look after resettlement planning and management for all ongoing and future projects in the power sector.

¹ Loan No. 1398-PHI: *Northern Luzon Transmission and Generation Project*, for \$244 million, approved on 2 November 1995.

Affected Persons

APs are defined as those who stand to lose, as a consequence of the project, all or part of their physical and non-physical assets, including homes, communities, productive lands, resources such as forests, range lands, fishing areas, or important cultural sites, commercial properties, tenancy, income-earning opportunities, and social and cultural networks and activities. Such impacts may be permanent or temporary. This most often occurs through land expropriation, using eminent domain or other regulatory measures. They have no option but to reestablish elsewhere. People can also be affected through exposure to health and safety hazards which then force them to relocate.

Unit of Entitlement

The unit of entitlement may be an individual, a household, a family or a community. Bank policy recognizes the concept of household as a unit for data collection and impact assessment. As a rule, the unit of loss should determine the unit of entitlement. However, if more than one person has customary rights to a resource (for example, common property), the compensation may be shared by all. Households headed by women are to be recognized and compensated equally with households headed by men. Widowed women or divorcees living within male-headed households and having no legal rights to land may be considered as separate units for relocation purposes. Usually, major children within the household are not eligible for full entitlements, but are compensated for any lost assets and assisted to restore any lost livelihoods.



Loss and Eligible Impact

Defining loss and eligible impact is important because some losses are more visible or tangible than others. For example, loss of agricultural land, structures, or loss of crops do not require any definitions. Other losses, such as access to livelihood sources (for example, tenant or sharecroppers losing 'user rights' to land or wage laborers losing opportunities to work on land), require investigation to establish resettlement effects.

Establishing Eligibility Criteria for Resettlement

The three important elements of involuntary resettlement are: (i) compensation for lost assets, incomes, and livelihoods; (ii) assistance for relocation; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. Bank policy requires analysis of the losses experienced for each case through census and survey. This is often subject to a "cut-off" date used to minimize fraudulent practices. In situations where APs are left with non-viable farm-holdings, project management should always allow income restoration and resettlement eligibility.

Valuation of Entitlements and Grievance Methods

The Bank policy has no reference for valuating entitlements except for the general principle that APs should be at least as well off after the project as before it. In other

words, valuation of their property and assets should be at the replacement value. Bank's practices also recognize this principle to ensure protection of interests and the well-being of the APs. In the case of non-inclusion in the APs list or inadequate compensation, an AP must have recourse to established dispute resolution and grievance procedures.

Compensation Options

The Bank's policy refers to compensation, relocation of APs, and rehabilitation. There is no discussion of cash as a mode of compensation. However, Bank practices discourage cash compensation for land, except in cases with limited impact only, such as a strip of land required for a right of way that does not threaten livelihoods. Replacement land, "topping up" or additional cash grants to purchase land, job creation and employment, and often a mix of these options have been applied in many projects. APs should be offered multiple options, from which to choose to restore livelihood.

Income Restoration Programs

Income restoration programs should include both land-based and nonland-based options depending on the pre-project income-generating activities of APs. See Chapter 7 for a greater discussion of income restoration.

Resettlement Planning for Vulnerable Groups

Bank policy specifies that vulnerable groups merit special attention in planning and implementing resettlement, and that resettlement represents an opportunity to help them improve their status. Vulnerable groups are those likely to be particularly disadvantaged as a consequence of resettlement. The policy defines as vulnerable groups the poorest, those without legal title to assets, households headed by women, indigenous peoples, ethnic minorities, and pastoralists. There may be other groups, such as isolated communities, the disabled or those unable to work, or those left behind when the majority of their community becomes eligible for relocation. Bank policy specifies that, where "adversely affected people are particularly vulnerable, resettlement and compensation decisions should be preceded by a social preparation phase to build up the capacity of the vulnerable people to deal with the issues".



Recognizing customary and common rights to assets and resources is important for compensating indigenous peoples. Similarly, recognizing the ownership or use rights of women is important in calculating compensation. Preparation of measures to restore livelihoods and living standards requires careful assessment of social and economic practices, and close consultation with indigenous or otherwise vulnerable groups. This is especially so where their social organization, settlement and resource use patterns, subsistence activities, cultural beliefs and practices, or patterns of economic behavior differ from the mainstream. Bank policy specifies that existing social and cultural institutions of those affected should be supported. Women's economically productive

activities, especially those which are non-waged, must be calculated in household income assessments. Where assets are owned or controlled by women, then women should receive

compensation or rehabilitation. These issues reinforce the need for sensitive survey and census work, and of close consultation with all categories of people affected.

Customary Land Users without Formal Title

Bank policy specifically mentions “indigenous groups, ethnic minorities and pastoralists who may have usufruct or customary rights to the land and other resources taken for the project”. Moreover, “the absence of formal legal title to land by some affected groups should not be a bar to compensation”. Some communities, often of indigenous peoples, have ancestral customary rights to regulate collective common property. Many such households depend on open access to common grazing lands, fishing areas, or forest resources for subsistence and cash incomes. The survey and census work will take full account of these patterns of resource use, including the systems of land use and land transfer that operate under customary law and usufruct. The project may provide an opportunity to regularize traditional land tenure and provide formal title. Resettlement planners would work in close consultation with all of the people affected, to ensure that this process continues to provide access to all traditional users, including women. Land for land is the preferred option, with ownership of the land remaining with the community group. Similarly, replacements in kind would, if possible, compensate for loss of marine, river, lake or forest resources. It may be possible to improve on the original loss. For example, safe water supplies might replace lost water sources. A fish processing, credit and marketing scheme could generate additional income to replace other incomes lost due to a reservoir or irrigation project. Partnerships with local people might be established to help manage parks and reserves on a sustainable basis, so that local people do not lose all of their traditional resource base.

Women

The needs and problems of women affected by relocation are likely to be different from those of men, particularly in terms of social support, services, employment, and means of subsistence for survival. For example, relocated women might face greater difficulty than relocated men in re-establishing markets for home industry produce or small trade items if they are constrained by lack of mobility or illiteracy. Female heads of household are eligible for the same benefits as their male counterparts, but they would need special attention if they lack resources, educational qualifications, skills, or work experience compared to men. The resettlement process must provide opportunities for women’s participation. Women could participate in the design and layout of housing. Infrastructure development within the site must ensure that women have easy access to basic social amenities like water and household energy sources. Women in subsistence communities often depend on forest resources for basic needs such as food, fuel, or animal forage. These would need replacement. The Bank-financed Red River Delta Water Resources Project provides an example on gender planning in resettlement (Box 3.3).

Measures to safeguard the interests of women in the relocation process are listed in Box 3.4.



Box 3.3

Gender Planning in the Red River Delta Project

In this Water Resources Sector Project in Viet Nam¹, three initial subprojects acquired 50 ha of land and affected 135 families requiring resettlement. Provincial authorities prepared resettlement plans for compensation for land and housing; in addition village roads and other social infrastructure will be provided. Community consultation was carried out during the initial impact assessment for the project.

The socioeconomic data indicated that women play an active role in the production process both in the farm and other nonagricultural activities. It was estimated that between 15 and 30 percent of the households in the Red River Delta are headed by women, either because of widowhood or divorce, or more commonly on a temporary basis because of the seasonal labor migration of males. Project staff created a new database for assessing women's needs and identifying appropriate programs (for example, small credit, farm extension, non-farm employment support) to ensure that women receive a fair share of the direct and indirect benefits of the Project. A benefit monitoring evaluation (BME) system will be established under the Project to assess the development impact.

¹ Loan No. 1344-VIE: *Red River Delta Water Resources Sector Project*, for \$60 million, approved on 13 December 1994.

Box 3.4

Safeguarding Women's Interests in Resettlement

- Surveys identify separately the socioeconomic conditions, needs, and priorities of women; and the impact on women is monitored and evaluated separately.
- Surveys and entitlement criteria recognize female-headed households.
- Entitlements ensure that women are not disadvantaged by the process of land acquisition and resettlement.
- Land titles at the resettlement site or any grants included are in the name of both spouses.
- Female staff are hired by the resettlement agency to work with and assist women in all kinds of resettlement activities, including planning and implementation of income restoration programs.
- Women's groups are involved in resettlement planning, management, and operations and in job creation and income generation.

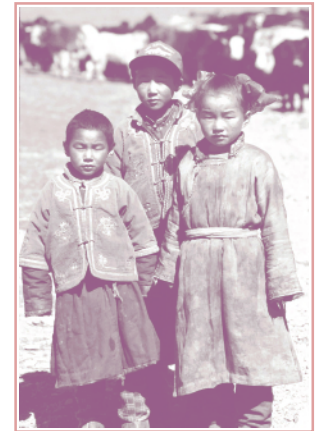
Squatters and Encroachers

Squatters (in urban or rural areas) and encroachers (into forest or farmland) may be relatively recent arrivals on unused or under-used land. If such people arrived before the entitlements cut-off date they are eligible for compensation for any structures, crops or land improvements that they will lose. The project could pay this as an equivalent amount of rehabilitation assistance if there are problems in paying compensation to those without legal title. Rehabilitation assistance would include replacement housing

and replacement land, with title, for squatters and encroachers who depend on agricultural production for their livelihood. For those who do not depend on agriculture, planners can identify alternative income restoration options in close consultation with the squatters themselves. Squatters occupying public safety zones can be provided with housing, land, or income-earning opportunities elsewhere. Since the rationale is to protect vulnerable groups, the project would not compensate landlords building structures illegally in public safety zones. The project might provide an opportunity to develop safer, more permanent sites for street vendors or pavement dwellers. Planners should pay close attention to the needs and priorities of the squatters themselves. Their social and economic networks, their systems for mutual help and support, and special cultural features, can provide the basic parameters for resettlement strategies.

Indigenous Peoples

Indigenous peoples and minority nationalities may be outside mainstream development opportunities, lacking legal recognition and formal representation. Recognition of customary land usage is crucial. Social survey and census work pays particular attention to patterns of social and economic organization, and distinctive cultural features, which will determine acceptable resettlement measures.



Box 3.5

Social Preparation

- **Definition:** Social preparation is a pre-investment phase designed to strengthen the absorptive capacity of vulnerable groups who may be marginal to mainstream development activities.
- **Aim:** To provide vulnerable groups with the confidence, motivation, and opportunity to address resettlement issues.
- **Focus:** Vulnerable groups, host communities, and/or groups outside the mainstream of information or mainstream development processes.
- **Financing:** The cost of social preparation is included in the resettlement budget.
- **Time frame:** From 3 to 12 months, depending on the number of APs involved and extent of their need.
- **Responsibility:** Experienced NGOs or CBOs are usually engaged to take responsibility for the social preparation process.
- **Method:** Social preparation usually has four phases.
 1. *Identification* of vulnerable people affected and targeting of particular sub-groups (for example, a very poor neighborhood, women, or indigenous peoples).
 2. *Mobilization.* Community organizers generally work with the groups to engage their interest.
 3. *Organization.* Community organizers help to build skills, leadership, and a sense of common purpose. The groups may work through a process of problem definition, review of constraints, and identification of opportunities, in the context of the proposed resettlement. The group may identify preferred options for relocation and income restoration.
 4. *Institutionalization.* The small community groups are linked to broader entities, for example, to district-level agencies and the resettlement EA. At this stage the groups make a formal input into the preparation of the RP, and subsequently play an important role in implementation and monitoring.

Consultation with the groups affected is essential in selecting acceptable resettlement options. Minimizing or avoiding resettlement becomes particularly important if unique social and cultural features are at risk. The Bank's policy on Indigenous Peoples may apply. There may be a need for a separate indigenous peoples development plan, prepared in coordination with the RP.

The Very Poor

Bank policy requires restoration of the economic and social base, and assistance to vulnerable groups to improve their status. The challenge for the very poor may be to identify sustainable living and income-generating options that are acceptable and workable for them. The very poor might not have assets for compensation or income for restoration. Close consultation and careful data collection are necessary prerequisites for resettlement planning. For example, households with very small landholdings may lose their viability after land acquisition and require full income restoration, whereas a household with medium to large land holdings may require compensation only. Replacement housing should meet minimum housing standards. Wages should meet or better the minimum wage levels. A special fund might be established to help the very poor. A social preparation phase can help to build the capacity of the very poor over a period of time, to help them to identify problems, constraints, and possible solutions.

The Entitlement Matrix

Based on analysis of the impact of the project and the new eligibility policies, an entitlement matrix is developed based on categories of APs according to losses and their entitlement benefits. The matrix proposes eligibility and payments for *all* kinds of losses (e.g., land, housing, businesses, other income sources, temporary loss of income, displacement, and moving costs). It sets standards for compensation.

Current land acquisition laws in many DMCs do not cover all types of losses. Since the Bank's policy objective is to at least maintain the level of living under "without-project" situation, a strategy for enabling APs to maintain their former standard of living needs to be linked to what APs have lost. Table 3.2 summarizes the types of losses arising from land acquisition.

The entitlement matrix sets out the type of loss and definition of the entitled person in tabular form. It can also include a column setting out compensation and rehabilitation measures for each type of loss. A sample simple entitlement matrix is set out in Table 3.4. It lists the types of losses, together with the definition of an entitled person.

The entitlement matrix can also be more complex, providing information on the policy for compensation and rehabilitation in each case. A sample is set out in Table 3.3.

Resettlement Budget and Financing

An itemized budget is required for all resettlement activities, including compensation for land acquisition. An annual resettlement budget is usually prepared, showing the budget scheduled expenditure for key items. The land acquisition and resettlement cost is included in the project costs. The borrower may request for at least part of the costs — other than land acquisition costs — to be included in Bank loan financing for the project.

Table 3.2
Types of Losses from Land Acquisition

Category	Types of Loss
Land	<ul style="list-style-type: none"> • Agricultural land • House plot (owned or occupied) • Business premises (owned or occupied) • Access to forestland • Traditional use-rights • Community or pasture land • Access to fishponds and fishing places
Structures	<ul style="list-style-type: none"> • House or living quarters • Other physical structures • Structure used in commercial/industrial activity • Displacement from rented or occupied commercial premises
Income and livelihood	<ul style="list-style-type: none"> • Income from standing crops • Income from rent or sharecropping • Income from wage earnings • Access to work opportunities • Income from affected business • Income from tree or perennial crops • Income from forest products • Income from fishponds and fishing places • Income from grazing land • Subsistence from any of these sources
Community and cultural sites	<ul style="list-style-type: none"> • Schools, community centers, markets, health centers • Shrines, other religious symbols or sites • Places of worship (church, temple, mosque) • Cemeteries, burial sites • Rights to food, medicines and natural resources • Intellectual property rights
Environment-related	<ul style="list-style-type: none"> • Losses due to environmental impacts that might result from land acquisition or from project itself

Income restoration and resettlement costs will usually come from central and/or state or provincial government through the project entity. There may also be local government contributions to development of income restoration schemes and resettlement sites and services. The RP specifies the mechanisms for channeling funds to key resettlement units or agencies, for disbursement to APs. The timeframe and responsibilities for disbursement are specified.

If a project is co-financed with other donors, it is important to know the resettlement policies of co-financiers. Any discrepancies should be addressed and resolved prior to loan approval. The types of costs which are likely to be required in a resettlement plan are set out in Table 3.5.

Budgetary approval by the government is essential for resettlement implementation. Unless policies are approved and financing arrangements are made, the RP lacks ownership by the government.

Table 3.3
Entitlement Matrix of a Proposed Compensation and Resettlement Policy

Type of loss	Application	Definition of entitled person
Loss of arable land	a) Arable land located in the right-of-way (ROW) of the road	a) Farmers who cultivate the land
Loss of residential land	a) Residential land located in ROW	a) Legal occupants of the land with certification from a relevant authority or a verbal permit from the commune b) Illegal occupants of the land
Loss of structure	a) Structures located in right-of-way	a) Legal owner of the structure
Loss of standing crops	a) Crops located in the widening of the road	a) Farmers who cultivate the land
Loss of trees	a) Trees located in ROW of the road and in the clear area if they affect traffic safety (visibility)	a) Persons who utilize the land where trees are located

Adapted from Design Report for TA No. 1997 VIE: *Second Road Improvement Project*, for \$2,100,000, approved on 29 November 1993.

Compensation policy	Implementation issues
<ul style="list-style-type: none"> a) Provide equivalent land nearby. b) If land is not available, use intensification and diversification of existing land. c) Farming will be permitted in the clear area (2–7m from the toe of the embankment). 	<ul style="list-style-type: none"> a) A list of available arable land in each affected commune is required b) Assistance to farmers to develop new crops and intensify production
<p><i>For both legal and illegal occupants:</i></p> <ul style="list-style-type: none"> a) If remaining land is enough to absorb APs, replacement land will be provided within the commune. b) If remaining area is not enough an alternative house-plot (minimum 60 m²) or equivalent to the former plot will be offered close to the highway. 	<ul style="list-style-type: none"> a) To avoid procedural problems due to the absence of written permits, permits will be issued before compensation begins b) The minimum area on which APs would be allowed to reorganize has to be discussed with district and commune authorities c) The value of the new site has to be equivalent but not less than the value of the current property of APs. If the assessed value of the new site is larger than the assessed value of their current property, the difference should not be collected from the APs. d) APs will have to conform to all existing regulations. Assistance will be given to those who need it.
<ul style="list-style-type: none"> a) Compensation in kind in materials. Owners will build their structures with technical assistance. b) Allowance for lost income in kind. c) Transportation of building materials to families who are relocated (not payable in cash). 	<ul style="list-style-type: none"> a) A wide variety of building materials would be made available for APs. b) During the survey, the amount and type of building materials needed will be evaluated.
<ul style="list-style-type: none"> a) Compensation in kind for crops based on productivity of the land in the past. 	<ul style="list-style-type: none"> a) Prices of agricultural products in local markets have to be checked for comparison. b) APs will be given notice several months in advance regarding evacuation. Crops grown after the issue of the notice will not be compensated. c) The work schedule has to take into account the crop seasons to avoid work, if possible, during the harvest season.
<ul style="list-style-type: none"> a) Compensation in cash based on type, age, and diameter of trees. 	<ul style="list-style-type: none"> a) Consideration given to trees planted in view of preventing erosion b) Only private owners shall be compensated for trees.

Table 3.4
Types of Losses Eligible for Compensation in Jamuna Bridge Project¹

Type of loss	Definition of Entitled Person
Loss of agricultural land	• Owner(s) of plot as per land record at cut-off date
Loss of homestead land	• Owner of a homestead plot as recorded at cut-off date
Loss of living quarters and other physical structures	• Legal owner of structure
Loss of economically valuable perennial crops	• Owner of a plot as per record at cut-off date
Loss of occupied homestead (illegal or with permission of owner) land	• Households living on land as <i>uthulis</i> or squatters
Loss of tenant contract for farming or pasture	• Farmers leasing or sharecropping on land acquired for project
Loss of wage income	• Persons living in affected areas and engaged in wage labor in agri/nonagriculture sectors and whose means of livelihood is affected
Loss of commercial plots	• Owner of the commercial plot at cut-off date
Loss of structure used in commercial/industrial activity	• Legal owner of structure
Displacement from rented, occupied or commercial premise	• Business persons/artisans occupying the premise at cut-off date
Loss of tree crops or standing crops	• Owner(s) of plot as recorded at cut-off date
Persons who have already parted with properties and relocated elsewhere.	• Persons falling under categories mentioned above
Adverse impacts on host population due to development of resettlement sites.	• No individual entitlement; investment in host communities
People adversely affected by bridge, i.e., change in water levels upstream or downstream, or in unforeseen ways.	• Persons affected adversely by bridge, other than above categories

¹ Revised Resettlement Plan. Loan No. 1298-BAN: *Jamuna Bridge*, for \$200 million, approved on 8 March 1994.

Table 3.5

Preparing Resettlement Cost Estimates and Budget

Category	Cost Items
Resettlement preparation and compensation	<ul style="list-style-type: none"> • Cost of census and survey of affected people and inventory of assets • Cost of information and consultation • Compensation for assets lost (land, structures, etc.) • Costs of replacement land • Cost of preparation of replacement farmland
Relocation and transfer	<ul style="list-style-type: none"> • Cost of moving and transporting movable items • Cost of replacement housing • Cost of site and infrastructure development and services • Subsistence allowances during transition • Cost of replacement businesses and downtime
Income restoration plans	<ul style="list-style-type: none"> • Cost estimates for income restoration plans (e.g., training, small business, community enterprise) • Cost of incremental services (extension, health, education) • Environmental enhancement packages (forestry, soil conservation, grazing land, etc.)
Administrative costs	<ul style="list-style-type: none"> • Physical facilities (office space, staff housing, etc.) • Transport/vehicles, materials • Operation staff (managerial, technical), and support staff • Training and monitoring • Technical assistance • Evaluation by independent agency

Source: Cernea, Michael, 1988. *Involuntary Resettlement in Development Projects*, The World Bank, Washington, D.C.

Land Acquisition and Resettlement Time Line

Although the components of resettlement may vary in specific projects, resettlement activities normally take between three and five years, and often extend beyond the project cycle of the main investment project. Typical resettlement activities include policy assessment, setting of entitlements, data collection, planning, compensation, relocation, demolition, participation, and M&E of the programs. A time line should be established based on the scope and scale of resettlement work identifying the schedule for key resettlement activities. Normally, the compensation, income restoration and relocation work would all need to be completed before demolition and construction can commence.

Checklist: Key Planning Concepts

- Avoid or minimize resettlement effects through technical modifications.
- Develop new eligibility and entitlement guidelines to cover all project-affected people, including nontitled persons, and ensure that the needs of women are met.
- Provide time and resources for a social preparation phase if the people affected are vulnerable.
- Based on the new eligibility policy, prepare an entitlement matrix by categories of APs, showing their entitlement benefits and measures for compensation and rehabilitation.
- Prepare an itemized budget for all compensation, income restoration, and resettlement costs and indicate sources of funding.
- Establish a time line for all activities from project preparation to project completion and evaluation.

4 Consultation and Participation



Bank policy states that, “affected people should be fully informed and closely consulted on resettlement and compensation options”. Consultation with APs is the starting point for all activities concerning resettlement. People affected by resettlement may be apprehensive that they will lose their livelihoods and communities, or be ill-prepared for complex negotiations over entitlements. Participation in planning and managing resettlement helps to reduce their fears and gives APs an opportunity to participate in key decisions that will affect their lives. Resettlement implemented without consultation may lead to inappropriate strategies and eventual impoverishment. Without consultation, the people affected may oppose the project, causing social disruption, substantial delay in achieving targets or even abandonment, and cost increases. Negative public and media images of the project and of the implementation agency may develop. With consultation, initial opposition to a project may be transformed into constructive participation.

Consultation can be fostered by holding public meetings and identifying focus groups. Planners might draw on participatory problem-solving methods, supplemented by use of the media in scattered or broad areas. Household surveys represent an opportunity for direct consultation. Community workers can be engaged to foster a process of group formation and development, possibly through a social preparation phase (Chapter 3).

The process of consultation commences during the PPTA Fact-Finding Mission, and forms an integral part of the PPTA Feasibility Study. The RP should establish an institutional framework for participatory resettlement.

Identification of Stakeholders

Stakeholders are those who have a direct interest in project development, and who will be involved in the consultative process. The first step in developing plans for consultation and participation is to identify the primary and secondary stakeholders.

Primary stakeholders include the people affected, the beneficiaries of the project, the host populations at any planned resettlement sites, and the implementing agency.

Secondary stakeholders are other individuals or groups with interest in the project, such as local or national government, policy makers, advocacy groups, elected officials, and NGOs.

Consultation and communication with stakeholders during the project preparation stage is an integral part of the process of gathering relevant data for impact assessment, and facilitates the development of appropriate options for the affected population. Affected people and beneficiary groups can influence and contribute to project design, planning and implementation.

Participation Mechanisms

Participation mechanisms facilitate the consultative process and include information sharing, consultation with APs and other stakeholders, and active involvement of APs in project tasks, committees, and decision-making.

Information sharing is the first principle of participation. In many cases, opposition to a project arises from lack of information or misinformation. Project management must be willing to share all aspects of the project (planning, design, alternative options, and possible known impacts of the project) at the project identification stage. Information can be disseminated concerning the project and its impacts, compensation policies and payments schedules, resettlement planning and possible relocation sites, implementing institutions and timetable, and grievances procedures.

Bank missions consult with APs during the ISA, loan fact-finding, and appraisal so that community inputs can be incorporated in project design and the resettlement plan. Consultation with APs, and discussion of options with them, is essential during preparation of the RP.

It is important to involve representatives of various stakeholder groups — particularly APs and NGOs involved in project tasks, committees, and decision making at all stages after identification. Both institutional and financial provisions should be established for continuing consultation throughout project preparation and implementation. The example in Box 4.1 demonstrates good practice in public consultation and participation.

Box 4.1

Public Consultation and Participation in Kali Gandaki "A" Hydroelectric Power Project¹

The Project is located in a rural setting — about 200 km east of Kathmandu. The principal facilities (access road, dam and power house) will be located in nine villages affecting some 617 families, including 125 families affected who have already been relocated. A total 200 ha of land will be acquired for the facilities. The Project has considered alternative options in order to minimize resettlement (617 families affected compared with 1,033 in the summary of environmental impact assessment). Public discussions on the Project have been in progress since the early 1990s. The first widely attended public meetings were held at the project site in 1994. Since then, the Executing Agency has been in close consultation with the people at the project site. As the project preparation advanced, the EA extended its consultation to Kathmandu. These were complemented by two meetings at the project site in March and June 1996. Project Information Centers (PIC) were established in Kathmandu (January 1996) and at the project site (1996). The PIC in Kathmandu was shifted to the EA premise in March 1996 to provide easier access to the public. Also, full-time officers were posted at the PIC to attend to requests for information. Informal groups were established in each village to facilitate negotiations and processing claims for resettlement and/or acquisition of land. The groups have worked well, and the EA has recognized them as village advisory groups. These groups are expected to serve more broadly as a vehicle for communication between the affected families and the EA on any matter of mutual interest in relation to the Project.

¹ Loan No. 1452-NEP: *Kali Gandaki "A" Hydroelectric Power Project*, for \$160 million, approved on 23 July 1996.

Important methods for engendering a participatory approach in resettlement management are:

- information campaigns, for example, using media, posters, or information leaflets
- public meetings
- focus groups involving key stakeholders, for example, local business or village leaders, women, the poor, people experiencing particular kinds of losses;
- group formation and development, providing a forum to support identified AP groups, during the process of planning and implementation
- interviews with people affected on a household basis to seek their agreement on their specific entitlements
- formation of various committees of stakeholder groups for planning, implementation, and monitoring purposes
- development of mechanisms for grievance redress, and publicizing these mechanisms widely
- introduction of a social preparation phase (Chapter 3).

Participation in the Project Cycle

Communication and consultation with local administration and line agencies, NGOs, host communities, and APs require comprehensive planning from project identification through M&E following project implementation. All stakeholders, particularly the APs and their representatives, should be involved in all stages of the project cycle. Bank policy states that:

“Local government bodies, people’s organizations and mainstream development NGOs often play a constructive role in facilitating public discussion and dialogue, and assist in evolving pragmatic solutions. Their inputs may be beneficial for government decision making.”

The Bank recognizes the role of NGOs in social development and is committed to broaden its consultation with NGOs in formulating projects and TA activities.¹ CBOs can also be used in a similar way if they are developmentally oriented.

Some NGOs have experience and skills in designing and implementing projects for economic development, particularly involving vulnerable groups, and NGO projects often foster self-help, participation, and skill development in sustainable programs. Thus participation by NGOs may prove very helpful in income restoration programs, for example, small-scale credit programs for women. Experienced NGOs can also operate training courses for APs in new income-generating activities and foster community management of common property resources (for example, forests, community



¹ *Working Together: Asian Development Bank and Non-Governmental Organizations*. Asian Development Bank, Manila.

grazing land, or fishing areas). Participation of NGOs in project design and implementation can improve project quality.

Table 4.1 provides a guide to the scope for consultation and participation by APs, hosts, and NGOs in various stages of the project cycle.

Institutional Framework and Grievance Redress

A participatory resettlement strategy needs participatory institutions for implementation. Such institutions may be formal or informal.

Formal institutions include local government agencies, extension services, block development office (India); municipal, county, district, and township administration (PRC) and resettlement field offices. Informal institutions include local resettlement committees, land purchase committees, village advisory groups, village resettlement workers, and project information centers.

Table 4.1
Participation by APs, NGOs and Hosts in the Project Cycle

Project Stage	Affected Person
Fact-Finding	<ul style="list-style-type: none"> • Participate in public meetings. • Identify alternatives to avoid or minimize resettlement. • Assist in developing and choosing alternative options for relocation and income restoration.
Feasibility Study and Resettlement Planning	<ul style="list-style-type: none"> • Help to choose resettlement site. • Participate in survey. • Contribute to formulating relocation and income restoration options through public meetings, groups, household survey. • Participate in meetings with host population. • Provide inputs to entitlement provisions. • Assist in RP preparation. • Suggest mechanisms for grievance redress and conflict resolution.
Project Implementation	<ul style="list-style-type: none"> • Join local groups to take part in implementation support activities. • Join local decision-making committees. • Decide on management of common property. • Use established mechanisms for grievance redress.

Informal institutions may be more effective for implementation purposes, because they are locally constituted with representation from various stakeholder representatives, and are task-specific. The participatory methods used by these institutions can help to facilitate quick resolution of any problem.

Grievance redress procedures set out the time frame and mechanisms for resolutions of complaints about resettlement from APs. Grievance redress can be provided through informally-constituted local committees with representation from key stakeholder groups. Grievances can also be addressed through formal channels, with unresolved grievances being dealt with at progressively higher levels. An example of PRC grievance procedures is set out in Box 4.2.



Nongovernmental Organization

Host

- Assist in impact assessment.
- Assist in census and survey.
- Participate in meetings, groups.
- Participate in coordination committees.

- Design and implement an information campaign.
- Support group formation, problem identification and planning for APs and hosts.
- Design a participatory process.
- Design social preparation phase.
- Assist in RP preparation.
- Participate in coordination meetings.
- Suggest mechanisms for grievance redress and conflict resolution.

- Assist implementing agency.
- Provide support in RP implementation.
- Train community workers.
- Assist vulnerable groups.
- Evaluate community process and social preparation.
- Implement a social preparation phase.
- Provide advice on grievance redress.

- Provide information on various aspects of host communities.
- Assist in data collection and design.
- Provide inputs to site selection.
- Identify possible conflict area with resettlers.

- Identify social and cultural facilities needed at resettlement site.
- Assist APs in identifying income restoration options at resettlement site.
- Help develop a process of consultation between hosts and relocatees.
- Suggest mechanisms for grievance redress and conflict resolution.

- Assist APs in relocation.
- Manage common property at site.
- Take part in local committees.
- Assist in integration with the host communities.
- Use established mechanisms for grievance redress.

Box 4.2

Grievance Redress Procedures in People's Republic of China¹

- Step 1:** Village committee deals with grievance within three days of receipt of complaint from AP. If unresolved,
- Step 2:** Township resettlement committee deals with grievance within one week. If unresolved,
- Step 3:** Country resettlement office deals with grievance within ten days. If unresolved,
- Step 4:** Municipal government resettlement office deals with grievance within one month. If still unresolved,
- Step 5:** APs have the right of appeal to courts or to State Land Administration Bureau.

¹ Summary Resettlement Action Plan, for Loan No. 1544-PRC:Zhejiang Shanxi Water Supply Project, for \$100 million, approved on 24 September 1997.

Checklist: Consultation and Participation

- Identify and involve all stakeholders, especially people affected, in the consultative and participative process.
- Develop a participatory strategy for project planning, implementation, and M&E.
- List details required for information campaigns and for information dissemination, and develop procedures for APs to negotiate their entitlements.
- Involve stakeholders in decision-making at all stages of project implementation.
- Establish a time line to complete activities such as an information campaign, compensation types and levels, entitlements, and relocation sites and schedules.
- Establish a participatory compensation and resettlement management strategy.
- Use and support CBOs, and be sensitive to issues concerning community consultation and participation.
- Establish procedures for grievance redress.

Table 4.2
Consultation and Participation in the Project Cycle: Key Action Points

Project Cycle	Key Action Point
Project Identification/ ISA	<ul style="list-style-type: none"> • Identify stakeholders. • Identify vulnerable groups. • Involve stakeholders and vulnerable groups in consultative processes. • Prepare information campaign and plans for dissemination. • Organize public meetings. • Decide on the need for social preparation phase.
PPTA Feasibility Study	<ul style="list-style-type: none"> • Convene consultative meetings with APs/host communities. • Arrange AP inputs to entitlements, income restoration, and resettlement options. • Institutionalize a participatory framework for compensation, income restoration and resettlement. • Design social preparation phase, if required. • Obtain AP/NGO inputs to development of resettlement sites. • Involve APs in developing income restoration strategies. • Establish grievance redress procedures.
MRM	<ul style="list-style-type: none"> • Ensure APs and NGOs have provided inputs to the resettlement planning process. • Ensure that project management has carried out consultative processes.
Appraisal	<ul style="list-style-type: none"> • Review participatory mechanisms outlined in the RP. • Arrange participation of local NGOs or CBOs in implementation.
Loan Negotiation	<ul style="list-style-type: none"> • List any outstanding issues as conditions and compliance for loan effectiveness.
Implementation	<ul style="list-style-type: none"> • Ensure that grievance procedures are functional. • Involve APs in implementation. • Involve NGOs and CBOs in implementation.
Monitoring and Evaluation	<ul style="list-style-type: none"> • Involve APs and NGOs in both M&E.

5 Socioeconomic Information



Resettlement planning and implementation need dependable and accurate data reflecting the precise impacts on APs so that appropriate entitlement policies can be developed. In projects involving land acquisition and resettlement, data collection serves three essential purposes: to understand fully how the existing socioeconomic profiles may be affected by the project, particularly the adverse impacts; to identify and assess all social dimensions that are needed to formulate plans to restore and improve the quality of life of the APs; and as a baseline to monitor and evaluate the implementation of RPs.

Box 5.1

Bank Policy on Resettlement

The Bank policy on Involuntary Resettlement requires an ISA during project identification and a RP during the Feasibility Study that defines clearly:

- land acquisition and the likely impacts;
- the scope of mitigative measures;
- TORs for preparing and implementing the RP;
- the expertise required to conduct data collection; and
- cost estimates and provisions for budget.

The Mission Leader commissions the data collection efforts and agrees upon the implementation arrangements and reporting requirements.

Preparing for Data Collection

Project planners review the existing database to make an initial assessment of likely project impact. The database may comprise the project planning document, survey documents and maps of the area, land records, and government census reports. Secondary data may contribute to a social analysis of the project, and also to identify the need for primary data collection. Questions to consider include:

- Are there any existing data on the project's impact and the affected communities that may be used for assessment?
- If so, who collected it, when, and how reliable is the information?
- Are the land acquisition data from the land agency or existing census data adequate to assess the likely impact of the project on APs?
- Does the EA need any consultants to carry out the data collection?
- Are the host villages already identified?
- Is the influx of outsiders into the project area likely to be a problem?

Data Collection Methods and Objectives

In most countries of the region, preparation for land acquisition and resettlement will require at least three basic types of survey: a land acquisition survey (LAS); a census; and a socioeconomic survey (SES). These may be supplemented by Participatory Rapid Appraisal (PRA) methods.

The LAS is normally carried out by the land agency or land administration department, acting on the request of the project management. It is based on project planning documents, land-use maps and land records and is considered to be the "official" survey of APs in many countries. The LAS typically only includes persons with title for compensation. Nontitled persons (e.g., sharecroppers, tenants, squatters) are not included in the LAS.

A census is a household questionnaire that covers all APs irrespective of entitlement or ownership. It provides a complete inventory of all APs and their assets. It can be used to minimize fraudulent claims made by people who move into the area affected by the project in the hope of being compensated and/or resettled.

The SES is carried out on a sample of APs, usually 20-25 percent of the total affected population, and usually through a household questionnaire. The SES obtains data on the likely impact of land acquisition on the local economy, economic institutions, land-use

Table 5.1
Methods of Data Collection

Type	Data Collection Technique	Objectives
Land Acquisition Survey	Review of land records and ownership deeds (100 percent sample)	<ul style="list-style-type: none"> • To identify extent and effects of land loss • To assess entitlements • To prepare land compensation award papers
Census	Complete enumeration of all affected households and their assets through household questionnaire	<ul style="list-style-type: none"> • To prepare a complete inventory of APs and their assets as a basis for compensation • To identify non-entitled persons • To minimize impact of later influx of "outsiders" to project area
Socioeconomic Survey	20-25 percent sample of affected population using household questionnaire	<ul style="list-style-type: none"> • To prepare profile of APs • To prepare RP • To assess incomes, identify productive activities, and plan for income restoration • To develop relocation options • To develop social preparation phase for vulnerable groups
Follow-up Survey	Sample survey and participatory rapid appraisal techniques	<ul style="list-style-type: none"> • To update list of APs • To prepare appropriate entitlement packages • To investigate specific issues for particular groups of APs

patterns, tenancy and sharecropping, occupation and employment patterns, income and economic interdependence between households, poverty levels, local social organization and authority structure, and women's economic activities and income.

Follow-up surveys are required to update the APs list if project implementation is delayed by two years or more from the date of the initial census and survey, or if the project design changes significantly. Some adjustments, including a new APs list, may be necessary to design appropriate entitlement measures. The follow-up survey can use a sample (20 percent of APs) or can use PRA techniques.

The number of people affected and the scale of impacts will largely determine the number of data collection methods used and the level of detail required. The guiding principle is that data collection should meet policy requirements, but at the same time be kept simple.

In many countries, the official LAS is mandatory to identify landowners and to prepare compensation payments for land. In other countries, the village-based census is used as the basis for valuing assets. For large projects, both census and SES are recommended. In the case of sector projects, the census and survey process is required for each subproject.



Deciding What Data to Collect

The survey covers all APs, including vulnerable groups, host populations, and information on land and the area. It includes APs with formal ownership as well as those without title, e.g., tenants, sharecroppers, the landless, squatters, vendors, small shop owners, wage laborers and others. Vulnerable groups (indigenous people, ethnic minorities, women and households headed by women, people without legal rights to inherit or own property, the poorest, and isolated communities) among the APs may not be covered by existing laws and regulations. Bank Policy clearly recognizes their rights as APs.¹ Indigenous peoples often have traditional land rights without formal titles and, therefore, detailed information on their land-use, economic activities, and social organizations is collected to prepare separate social and economic development plans consistent with their traditions and cultures.² Women's contributions to production and household management must be assessed and counted fully.

Host populations are an essential part of the data collection process if relocation sites are proposed. Detailed information on the host communities (demography, land area, land distribution pattern, land-use practices, economic activities — agriculture, business, foraging, fishing — and common property resources) is collected. This is particularly necessary to assess the likely impact of relocating APs in the host communities, and also the need to develop programs both for the APs and the host populations for economic development and social integration. The host population survey may use PRA techniques.

¹ Staff Instruction on *Women in Development* (November 1992) and *Women in Development Issues, Changes and Strategies in Asia and the Pacific*. Asian Development Bank, Manila.

² Staff Instruction on *Indigenous People* (1994) and *Involuntary Resettlement* (1995). Asian Development Bank, Manila.

Data to be Collected About APs

- Total number of APs
- Demographic, education, income and occupational profiles
- Inventory of all property and assets affected
- Socioeconomic production systems and use of natural resources
- Inventory of common property resources
- Economic activities of all affected people, including vulnerable groups
- Social networks and social organization
- Cultural systems and sites

Host Population

- Map of the host communities and settlement area
- Existing population density and carrying capacity
- Demographic and sociocultural composition
- Common property resources
- Land use patterns
- New infrastructure and development needs
- Reactions to resettlers
- Community organizations and needs
- Social networks and social organizations
- Cultural systems and sites



Land and the Area

- Map of the area and villages affected by land acquisition
- Total land area acquired for the project
- Land type and land use
- Ownership, tenure, and land use patterns
- Land acquisition procedures and compensation
- Existing civic facilities and infrastructures
- Nonland economic and resource systems

Improving Data Collection Effectiveness

Data collection must be effective to protect the interests of the APs and to maintain transparency in resettlement practices.

- *Establish clearly the definitions of key concepts* (e.g., AP, family, loss, entitled person), because these are critical concepts in the entire process and have a significant influence on the compensation and resettlement benefits package.
- *Establish a cut-off date for eligibility in the APs list.* This is necessary to prevent false claims for compensation or rehabilitation following the disclosure of project

plans. A census should be carried out as soon as possible after the cut-off date has been established to determine the number of APs, the number of structures and other assets affected, and to minimize influx of people into the affected areas. This is particularly important in projects that involve urban redevelopment and renewal or squatter development.³

- *Map the impact area and identify households by numbers to provide additional safeguards against fraudulent claims.* Mapping is normally done during the project identification and preparation stages. Mapping can be undertaken during census and survey. Aerial mapping can be a useful adjunct to determine settlement patterns at a given point in time.
- *Consider the use of identification cards for APs.* Identification cards have proved to be useful in many projects. They are issued during census or surveys, and should be updated after the completion of the census with all relevant information on individual households concerning compensation and entitlements.
- *Publish an APs list for verification and approval by AP committees and NGOs and procedures for appeals in the event of any wrongful exclusion.*

Box 5.2

Jamuna Bridge Project - Dealing with Fraudulent Claims

In Bangladesh, the Jamuna Bridge Multipurpose Project (9509-BD/1994) illustrated the problems that arise when safeguards against fraudulent claims are inadequate. In the absence of a full census or socioeconomic survey, an estimated 10,000 structures rapidly appeared in an area designated for expropriation. Aerial mapping and other devices were used in an attempt to distinguish between legitimate and fraudulent claims.

Source: *Draft Resettlement Sourcebook*, The World Bank, 1996, p. 58.

Data Collection Operations

Data collection operations consist of a number of steps:

- designing a census or survey questionnaire form
- hiring and training of field investigators
- field supervision, verification, and quality control
- data processing and analysis

Where the project agency lacks the appropriate skills to conduct census and surveys, these services are typically provided by consultants or independent institutions (e.g., NGO, social research department of a university), with assistance from officials and resettlement staff. It is important that TORs define both the objectives and the expected outputs clearly.

³ For more on urban development and displacement, see Michael Cernea, *The Urban Environment and Population Relocation*, World Bank Discussion Paper #152, Washington D.C., 1993.

Consultants preparing the census or survey questionnaires are briefed fully on the requirements of the survey and policy needs, including eligibility and entitlement categories, if they have already been defined prior to the survey.

The core team for the census or survey will be interdisciplinary, comprising a range of skills (for example, ecological, legal, economic, sociocultural, environmental, land use, planning, regional and settlement).

The survey operation can be enhanced by direct involvement of resettlement personnel, local government agency staff, NGOs, and APs and their representatives. This may help to reduce disputes and grievances and will increase general awareness about resettlement issues and policies among the APs and resettlers.

Reporting Survey Results

The results of the survey are used immediately to:

- prepare a list of APs in accordance with the existing compensation policy
- identify those indirectly affected by the project who are eligible for entitlements
- prepare an entitlements matrix based on losses
- recommend compensation payments and grievance redress procedures develop a computerized data bank and a program that will allow easy disaggregation of data on APs by impact, age, sex, education, income, occupational skills, land-holdings, preferred choices for relocation and income restoration.

Box 5.3

Recommended Format for Reporting Data Collection Results

I. Introduction

- Description of the project
- Objective(s) of the survey or census
- Method(s) used
- Operation of the survey and limitations

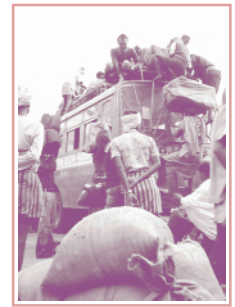
II. Description of the Affected Area and Findings

- The area: nature and scale of impacts
- Socioeconomic status of APs
- Identification of vulnerable groups
- Loss of land and other assets
- Inventory of community property and natural resources
- Loss of social networks, social services and cultural sites
- Entitlement matrix of APs

Checklist: Socioeconomic Information

- Review existing data, determine the level of information required to meet policy standards, and choose appropriate data collection methods.
- Cover all affected population groups including any host populations.
- Establish clear definitions of key concepts like APs, family or household, loss, entitled persons.
- Establish a cut-off date for eligibility in the APs list.
- Carry out comprehensive mapping of affected villages and host communities, including land-use, cropping patterns, common property, and use of natural resources.
- Publish the APs list locally for verification by APs and NGO groups including any host populations..
- Include interdisciplinary skills in the core and involve local government and/or agency staff, AP groups, and NGOs in data collection.
- Establish a computer database and a program that will facilitate identification of all information on households and individuals for project implementation, and as a baseline for M&E.

6 Relocation



Relocation is perhaps the most difficult of all tasks involving resettlement, because recreating living conditions and, in some cases the settlement and living patterns of entire communities, can be a very challenging and complex task. This chapter presents some approaches to relocation.

Issues in Relocation Planning

- Is relocation of all APs necessary?
- Are there caste, tribal or other ethnic differences among the affected population?
- What are the settlement patterns?
- How are people located relative to each other in the present site?
- What are the present community social services (e.g., health care, education) in the affected areas?
- How often do people use the various facilities? Are these variations by season, gender, age, income status or other factors?
- What are the range of plot sizes and average plot area in the affected areas?
- What is the present density of settlement?
- What is the present level of access to market centers and towns?
- What are the patterns of transport and communication in the affected area?
- What are the patterns for utilizing cultural and religious facilities?

Relocation Options

Depending on the scale of relocation needs, various realistic alternatives that involve all concerned are considered. The potential resettlers and host groups should participate in the selection of the best alternative(s). The various options will almost certainly have different impacts, requiring varying degrees of support and assistance in the relocation process.

No relocation is the best option. However, when relocation of APs from their homes is unavoidable, it should be reduced or minimized as much as possible by weighing alternative options for the main investment project. For instance, relocation can often be reduced by changing the routing of the infrastructure projects that are causing relocation (e.g., roads/highways, pipeline).

On-site relocation is possible when the number of APs is limited, when population density is relatively low, and where the project involves small scattered sites or narrow alignments. The APs may be allowed to occupy, for example, part of the site not required for rights-of-way, clearing the plot frontage for use in transport projects. In such cases, on-site relocation does not normally affect the existing socioeconomic settings and social organizations of the affected population because APs move only a very short distance. As a result, the impact of resettlement is limited.

Table 6.1
Relocation Options and Support

Type	Compensation	Transfer Allowance	Subsistence or Resettlement Allowance	Site Planning and Development	Assistance to Host Population	M&E
No relocation	✓ (if assets are lost)	–	–	–	–	✓
On-site relocation	✓ (if assets are lost)	✓	✓ (minor)	–	–	✓
Self-relocation	✓	✓	✓	–	– (minor)	✓
Relocation to site selected by EA	✓	✓	✓	✓	✓	✓
✓ : Yes – : not required						

Self-relocation occurs when APs take individual or group initiatives to relocate to a place of their choice (as opposed to resettlement sites) due to economic factors (e.g., availability of work or cheaper land) or social factors (e.g., kinship). In such cases, some APs may move with all entitlements and typically benefit, because many of the decisions concerning material issues, social contacts, and economic well-being are taken by the resettlers themselves. They may require only limited social or employment support from the project to regain pre-project levels of living.

Relocation to sites selected by the EA, away from the original homes of the APs, can cause tensions and stresses, particularly if the host area is characterized by different environmental conditions, economic and livelihood patterns, or social and cultural parameters. Relocation to distant sites, or to sites with different environmental, social, cultural, and economic characteristics, must be avoided.

Choice of Relocation Sites

Location and quality of the new relocation site(s) are critical factors in relocation planning because they ultimately determine access to land, social support networks, employment, business, credit, and market opportunities. Each site has its own constraints and opportunities. Selecting sites that match closely the previous site in terms of environmental, social, cultural, and economic characteristics will make it more likely that relocation and income restoration will be successful. Site selection should therefore be considered part of the Feasibility Study.

Site selection should be assessed from the point of view of the impacts on host communities. Issues like land quality, carrying capacity of the site, common property resources, social infrastructure, and population composition (e.g., caste, tribe, gender, ethnic minorities) should be considered during the feasibility study.

Ideally, the new relocation site(s) will be geographically close to the original homes to preserve existing social networks and community ties. In cases of urban development



Box 6.2

Compensation Without Relocation

The North Java Road Improvement Project (NJRIP) funded by ADB¹ involves improvements from a two-lane carriageway with narrow unpaved shoulders to four-lane standards of nine links on about 210 km of national roads between Jakarta and Surabaya. The improvements range from minor action, such as resurfacing existing road sections, to road widening, including construction of bypasses. The rights-of-way for road improvements will affect 6,795 households and 6,516 structures of various types; the nature of impact is largely limited to loss of frontage for road widening purposes. Only 666 households will be totally displaced from their homes; of these, 165 households will require assistance for relocation, the rest have expressed their choices in favor of "self-relocation." NJRIP management have approved a resettlement policy without relocation.² The APs will receive compensation for all kinds of losses at market price and in accordance with principles outlined in Presidential Decree 55 (1993). Since the 165 households are distributed over nine links in three provinces and eight districts, land acquisition and relocation will be implemented by different subproject managers with assistance from local government agencies. The principle of "compensation without relocation" appears appropriate in this case due to the nature of limited impact and variation of impact by individual links, which deserve local solutions. Compensation and relocation plans by link will facilitate and enhance community involvement and participation. Knowledge of their problems and priorities will be the best guide for designing and implementing income restoration plans.

¹ Loan No. 1428-INO: *North Java Road Improvement Project*, for \$150,000, approved on 23 January 1996.

² *A Recommended Framework for Land Acquisition and Resettlement in NJRIP-DGH/Bina Marga*, December 1995.

of APs well ahead of the construction phase. Appropriate consultation with the relocatees and host communities should be carried out to establish relocation targets and to achieve those targets.

Living with the Host Population

In resettlement planning, the APs cannot be considered in isolation. The relocation of APs is likely to have impacts on the host population in many areas, including employment, use of common property resources, and pressure on natural resources or social services. Conflicts between hosts and resettled population may arise if the resettlement implementation agency assists only the APs. Infrastructure and support services at the relocation sites can be shared with the host community, and the hosts can participate with relocatees in programs for economic development and social integration. The host population should not feel



7 Income Restoration



Income restoration is an important component of resettlement where APs have lost their productive base, businesses, jobs, or other income sources, regardless of whether they have also lost their houses. However, APs who lose housing as well as income sources may be most at risk. When displaced people are worse-off, they risk impoverishment and alienation, which may result in landlessness, joblessness, homelessness, marginalization, morbidity, food insecurity, loss of access to common property assets, and social disorganization including crime and substance abuse.¹

Planners need to take account of the links between relocation and income generation activities. For example, the standard of living and quality of life for APs in the new sites will be linked to good access to and control over resources (e.g., land) or income-generating sources (e.g., employment, businesses). A recent review of the World Bank resettlement portfolio found that displaced families with good access to sufficient productive resources were able to recreate, and sometimes improve, lost productive systems and livelihoods.² According to the same report:

“Projects that resettle people productively *on land and in jobs* restore income more effectively, after a transition period, than projects which hand out compensation only, without institutional assistance for resettlement.

Successful income restoration was achieved primarily when projects allowed resettlers to *share in the immediate benefits created by the very project that caused displacement*, by: (i) moving resettlers into the newly irrigated command areas; (ii) helping them develop reservoir aquaculture; (iii) favoring resettlers to exploit commercial opportunities around the newly constructed infrastructure; or (iv) assisting them in building more durable houses.”

Issues in Income Restoration

- How will the project affect sources of income and livelihood?
- What are the income levels of APs?
- Are there other non-monetary sources of livelihood?
- What are the constraints and opportunities for income generation?
- Is replacement agricultural land available?
- Will it be possible to continue with agricultural activity?
- How many of the APs *cannot* be reabsorbed back into their previous occupations?
- What are the existing skills of the APs?
- What type of training do APs need and is there capacity to provide it?
- How many APs would like to start their own businesses?

¹ Michael Cernea, *The Risk and Reconstruction Model for Resettling Displaced Population*. Oxford Refugee Studies Programme, UK, 1996.

² *Resettlement and Development*, The World Bank, March 1996.

- Are there any employment opportunities or income generation in the main investment project?
- Is the project management committed to income restoration beyond compensation?
- Are there any ongoing income-generating or livelihood development programs (e.g., poverty alleviation) in the project area?

If a relocation site is being developed:

- Have any income restoration options been designed in consultation with and approved by APs?
- Are there any provisions for group-specific, targeted income restoration plans (e.g., microcredit or small business development for women, indigenous people, the disabled)?
- Are there enough funds and resources to implement income restoration plans?
- What formal and informal credit sources are available to APs?
- Are there any government agencies, community organizations, or NGOs who can provide technical or financial assistance for relocation and income restoration?

The flow chart on Figure 7.1 provides a step-by-step analytical process designed to identify both skills and needs of APs for income restoration plans.

Income Restoration Programs

Resettlement programs aiming to prevent impoverishment, restore incomes, and build viable communities are normally of two main types. First, land-based resettlement programs provide resettlers with enough land to regain and build farms and small rural businesses. Second, nonland-based resettlement strategies include activities such as occupational training, employment, directed credit, small business and enterprise development for job creation. The resettlement program may include elements of both types.

Common problems in developing income restoration programs include:

- non-titled APs are legally ineligible for compensation;
- compensation for productive assets is not based on replacement costs;
- inadequate replacement land and poor land quality;
- lack of skills needed for income-generating programs;
- inadequate budget for income restoration programs;
- lack of institutional and technical capacity to plan and implement micro-projects for income generation; and
- neglect of vulnerable groups in income restoration programs.



Some of the problems stem from lack of appropriate policies, others relate to institutional and financial constraints. In many countries, replacement land is hard to find, and a “land-for-land” strategy has remained a difficult policy to implement.

However, in some World Bank-funded projects in PRC, India, Thailand, and Pakistan innovative approaches (e.g., Land Purchase Committee, Land Consolidation and Land Banks) have yielded some results. The Jamuna Bridge Project provides scope for resettlers or their representatives to find agricultural land themselves in order to gain the additional land purchase grant.

Nonland income-generating options should be considered after a realistic assessment of potentials through market, social, and financial feasibility analysis. These options might be particularly appropriate to APs located in urban fringe areas, who were formerly agricultural producers. Such income-generating options include:

- directed credit for small businesses and self-employment;
- skill development through training;
- assistance in finding openings in government and private enterprises; and
- preference for APs in project-related employment.

Another innovative approach for generating new employment opportunities for APs can be created by establishing a community development fund, to be controlled and administered by the APs. With some technical assistance from the resettlement agency and NGOs, APs can identify and prioritize income-generating programs to meet the needs of the market and their preferences.

Box 7.1

Key Steps in Income Restoration Programs

- Analyze economic activities of all APs (by gender, age group, education, skills, income, household size, preference, options) to assess their needs.
- Identify multiple income restoration programs (both individual and group-specific) through beneficiary consultation and through market and financial feasibility analysis.
- Test training and income-generating programs with selected APs on a trial basis.
- Develop a framework for institutional supervision and budget.
- Allow for product marketing within and outside relocation site.
- Evaluate the program and provide additional technical assistance, if required.

Income restoration programs may require support and services for three to five years before they become viable. Project management may need to implement both short- and long-term strategies for restoring APs income. Short-term income restoration strategies are for immediate assistance during relocation and may include:

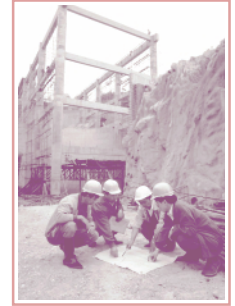
- compensation for land, structures, and all other lost assets is paid in full before relocation;
- house construction grants and relocation subsistence allowances are paid for the full duration of the period of disruption and re-establishment;
- free transport or costs of removal and re-establishment for relocation;
- subsidized inputs for agricultural, fisheries, and livestock production for the first two or three years or until income levels are restored;



Checklist: Income Restoration

- Develop multiple options for income restoration of APs (e.g., replacement land, employment, business, community enterprises, training and skills development) based on assessment of existing income-generating patterns.
- Develop special measures for APs who are disadvantaged in terms of income-generation and employment.
- Consult women and women's groups, and establish women-centered income generation activities.
- Consider both short- and long-term strategies for effective income restoration plans.
- Involve NGOs, women's groups, and other CBOs in income restoration planning and implementation.

8 Institutional Framework



A major problem in resettlement management and implementation is the lack of an appropriate institutional framework at both the agency and field levels. It is important to ensure that appropriate agencies mandated to plan and implement compensation, income restoration, and rehabilitation programs are identified as early as possible in project preparation. This chapter recommends approaches to identifying and building the institutional framework.

Issues Concerning the Institutional Framework

- Does the borrower or executing agency have any experience in resettlement?
- Is there any existing institutional arrangement for resettlement planning and operations? Or will a new institution be needed?
- Is there a need for a separate resettlement unit under the project? If so, what are the administrative and financial mandates of the unit?
- Is there any need for training to build institutional capacity?
- Are mechanisms for interdepartmental coordination for resettlement activities at local and higher levels in place?
- What plans are there to involve NGO and AP groups in the planning and implementation of resettlement?

Broadly speaking, there are two types of resettlement institutions: government agencies, and private, voluntary organizations like NGOs.

Government agencies include resettlement or environment agencies, government line agencies, training institutions, local land and civil administration agencies, and coordination committees.

Nongovernment, voluntary resettlement institutions include NGOs, CBOs, APs resettlement committees, informal GRCs, and resettlement monitoring and evaluation agencies.

Establishing a Resettlement Unit

As soon as the ISA is completed, the Mission Leader should decide, based on the scale of likely impact, whether a resettlement unit is required. A resettlement unit may be required for projects with significant impact. Projects with limited land acquisition affecting only a few families or having limited adverse impacts may not require resettlement unit. In these cases, the Mission Leader should identify the existing institutional arrangements for compensation and resettlement and include agreements in the project documentation, with appropriate lines of accountability within the existing institutional framework.

If the scope of resettlement is large, a separate resettlement unit will probably be required to deal with issues concerning compensation and rehabilitation of APs. The Mission Leader, during the project preparation stage, should then address the following issues:

- the form and size of the resettlement unit;
- the mandate of the resettlement unit;
- the financial and administrative authority of the resettlement project director;
- staffing and budget; and
- the requirements for training and capacity building.

The form and size of the resettlement unit will depend on the severity of impact and the scale of displacement and resettlement. The Mission Leader should determine the institutional options for resettlement implementation based on the RP. The Mission Leader should pay special attention to both administrative and disbursement power of the organization head to ensure proper implementation of resettlement operations. The head of the resettlement unit should be a senior officer with appropriate financial power and authority to carry out all functions, including coordinating meetings with other departments.

Typically, a resettlement unit is established within the department or agency responsible for the main investment project. This allows the agency to coordinate all resettlement activities, including land acquisition and compensation payments to the APs,

Box 8.1 Resettlement in PRC¹

In PRC, the resettlement policy framework and legal provisions are derived from various national, provincial, and local government laws and regulations. The Land Administration Law (1986) of the PRC stipulates that provinces shall determine the specific compensation standards for land and housing, within broad guidelines. Typically, resettlement plans are made by the borrowing agency (for example, Hebei Provincial Communications Department for Hebei Expressways) or by a local design institute after consultation with the county and/or municipality affected by the project. Responsibilities for implementation of resettlement plans are normally divided among different levels of government. Resettlement officers at municipal, prefecture, county district, and township levels carry out all implementation activities.

Provincial level has responsibility for overall implementation and allocation of compensation costs.

Municipality and prefecture level assumes responsibility to arrange, execute, and coordinate resettlement activities within the parameters of resettlement approved by the government.

County and district level governments assume responsibility to administer compensation funds and to disburse funds to townships.

Township level assumes responsibility to undertake land and relocation surveys, and to make payments of compensation to those affected for lost assets, excluding land.

Village level readjusts land use contracts to provide replacement agricultural land. Township and village levels can develop township and village enterprises to provide job opportunities.

¹ Loan No. 1387-PRC: *Hebei Expressway*, for \$220 million, approved on 28 September 1995.

Box 8.2

Ratio of Resettlement Staff to APs in Sardar Sarovar

The adequate ratio of resettlement agency staff to APs depends upon the amount of resettlement and rehabilitation related works that the agency has to perform itself and how much it is able to contract out to government or private agents. When the R&R agency is a "project within a project," experience from India and elsewhere of successful R&R suggests that a ratio of between 1:35 and 1:40 is adequate. For example, in the case of Gujarat under Sardar Sarovar, an R&R staff of 1,300 handled 40,000 APs (1:39).

Source: *India: Handbook on Resettlement and Rehabilitation*, 1994, p. 56.

Box 8.3

Resettlement Organization in the Jamuna Bridge Project

The total number of APs in the Jamuna Bridge Project in Bangladesh¹ is estimated at about 77,220. The survey conducted by the Bangladesh Rural Advancement Committee revealed that 39,000 persons (6,000 households) will be directly affected (e.g., loss of agricultural land, properties); another 37,800 (5,900 households) will be indirectly affected due to loss of access to land (e.g., tenant cultivators, farm workers, small business/industries, squatters, *uthulis* or nontitled persons) for making their living. Of the indirectly affected persons, 42 percent are farm workers. In order to deal with the resettlement issues arising out of the Project, the Jamuna Multipurpose Bridge Authority established a Resettlement Unit at the project preappraisal level under a Project Director with authority delegated to his office and a separate budget.²



Two field offices were set up in Tangail and Sirajganj — one on each side of the Jamuna river. JMBA hired Rural Development Movement a local NGO, to implement the resettlement plan. Village resettlement workers were recruited and trained by RDM to assist in all implementation activities, including public campaigns and resolution of disputes through locally constituted grievance redress committees. These workers are a vital institutional link between the project staff and the APs.

¹ Loan No. 1298-BAN(SF): *Jamuna Bridge Project*, for \$200 million, approved on 8 March 1994.

² *Revised Resettlement Plan, JMBA, 1994.*

Box 8.4

**Technical Assistance for Capacity Building
for Resettlement Management in Road Projects¹**

In 1995, ADB granted this TA to Indonesia. The principal objective of the TA was to develop and conduct a two-week training seminar for the Directorate General of Highways (DGH/BinaMarga) and other related departments/agencies aimed at building institutional capacity in planning and implementation of land acquisition and resettlement in road capacity expansion projects. The training seminar was the first of its kind in Indonesia. Twenty five participants attended the seminar held in Bandung from 16 to 28 October 1995. Nearly two thirds of the participants were mid- to senior-level officials from the Policy and Operational Sub-Directorate of Bina Marga; the rest came from various government agencies (for example, National Land Agency, Mayoral and Local Governments) and NGOs who were actually responsible for land acquisition, compensation assessment, consultation, and resettlement. The seminar featured panel discussions, mini-workshops dealing with specific resettlement problems, field visits, video and slide presentations. The panel discussions covered all essential elements of resettlement and rehabilitation operations. In addition to the general impact of the training itself in terms of the broadening of knowledge DGH/Bina Marga staff and those participants engaged in the practical aspects of land acquisition and resettlement on road projects in the field, the training seminar led to the development of a set of tangible policy and operational guidelines for application in road projects. *The Operational Guidelines for Resettlement Management for Road Projects: A Handbook* (1995) is a comprehensive step-by-step guideline for resettlement planning and operation. A key objective of the guidelines has been to integrate the social and environmental issues into road planning and development and to set out clearly the principles, procedures, and checklists to assist staff agencies in the planning, preparation, and implementation of resettlement programs.

¹ TA No. 2268-INO: *Capacity Building for Resettlement Management in Road Projects: Final Technical Assistance Report*, for \$265,000, approved on 27 December 1994.

- developing information campaigns and community participation;
- strengthening local institutions and community self-reliance; and
- delivering services to hard-to-reach communities in a more efficient and cost-effective manner.

The Bank's project activities since 1987 have shown a steadily increasing level of NGO involvement at all stages of the project processing cycle and project implementation.

The Mission Leader can encourage the borrower and/or the EA to involve NGOs and CBOs at an early stage of project preparation.

There are different kinds of NGOs in every country, ranging from advocacy groups to relief and charity organizations. The Mission Leader should take the initiative during the Fact-Finding mission to identify an NGO (or CBO) (in consultation with the borrower) appropriate to the tasks and having a developmental focus.

The following criteria should be used in selecting NGOs for resettlement work. The NGO should:

- be from the project-affected area or have prior work experience in the area;

It is critical for the project management at this stage to be willing to share all aspects of project physical planning, designs with alternative options, and known impacts of the project in terms of land acquisition, relocation, and resettlement. Participation and consultation facilitate development of appropriate and acceptable entitlement options and ownership by the people.

Such committees are also vital for ensuring that project monitoring and implementation take place effectively, and that monitoring can feed back into project implementation.

Grievance Redress Committees

GRCs are generally of two types: formal courts of appeal concerning land compensation practices, or locally constituted GRCs for dispute resolution involving resettlement benefits. Operational procedures for GRCs should be formalized and established clearly in the RP.

Table 8.1
Institutional Framework in the Project Cycle: Key Action Points

Project Cycle	Key Action Points
Project Identification/ISA	<ul style="list-style-type: none"> • Identify scope of resettlement, number of APs directly or indirectly affected. • Assess the capacity and mandate of institutional framework for resettlement.
PPTA Feasibility Study	<ul style="list-style-type: none"> • Review institutional framework for resettlement, identifying any gaps. • Establish a resettlement unit or agency, if necessary. • Assess staff requirements and institutional capacity. • Provide for staff development, TA for capacity building, if required. • Consult with stakeholders (APs, NGOs, hosts). • Provide financial and budgetary provisions for resettlement through annual budget allocation.
MRM	<ul style="list-style-type: none"> • Provide financial and budgetary provision for resettlement through annual budget allocation. • Review institutional framework in RP.
Appraisal	<ul style="list-style-type: none"> • Verify if institutional framework meets Bank’s standards and policies.
Loan Negotiation	<ul style="list-style-type: none"> • Prepare TA for capacity building, if required. • Complete any other outstanding issues.
Implementation	<ul style="list-style-type: none"> • Select and place resettlement field staff. • Involve NGOs in resettlement project implementation. • Involve village workers in implementation. • Implement capacity building measures.
Monitoring and Evaluation	<ul style="list-style-type: none"> • Involve NGOs in monitoring. • Carry out in-house monitoring monthly or quarterly, as indicated in the RP. • Evaluate resettlement impact using external agencies.

9 Monitoring and Evaluation



This chapter aims to demonstrate how and why resettlement plans are monitored and evaluated. It defines the key terms and suggests methods for conducting resettlement monitoring and evaluation.

Resettlement Monitoring, Review and Evaluation: Basic Terms

Resettlement monitoring means the collection, analysis, reporting and use of information about the progress of resettlement, based on the RP. Monitoring focuses on physical and financial targets and the delivery of entitlements to people affected. Monitoring is usually conducted internally by the executing agency, sometimes with assistance from external monitoring specialists. Reports are usually passed on to the Bank.

Resettlement reviews take place regularly and at key points in the project cycle, for example at mid-term. During review, project decision makers gather together with key stakeholders to assess resettlement progress. Reviews draw upon monitoring and evaluation reports and other data. On this basis the reviewers reach consensus and decide upon any action needed to improve resettlement performance or respond to changing circumstances. Bank staff may participate in such reviews, especially for large-scale resettlement efforts.

Resettlement evaluation takes place during and after implementation. It assesses whether the resettlement objectives were appropriate and whether they were met, specifically, whether livelihoods and living standards have been restored or enhanced. Evaluation assesses resettlement efficiency, effectiveness, impact and sustainability, drawing lessons as a guide to future resettlement planning. Evaluation differs from monitoring because of its broader scope, its less frequent timing, and its involvement of independent specialists. It is usually conducted externally. Evaluation provides a golden opportunity for resettlement planners and policy makers to reflect more broadly on the success or otherwise of basic resettlement objectives, strategies and approaches.

The Resettlement Monitoring and Evaluation Plan

The EA for the project is responsible for organizing and resourcing monitoring and evaluation efforts. The RP will specify the details of the arrangements for M&E, including:

- Allocation of responsibilities for monitoring and evaluation within the resettlement unit or agency. For large-scale resettlement a special M&E unit or group is desirable. For resettlement involving different agencies or levels of government a coordination plan is necessary;
- Responsibilities for specific tasks, including data collection, data analysis, verification, quality control, coordination with related agencies, preparation of reports, submission of reports to decision makers and the Bank, responsibility to review and act on reports;

- Method to be used to collect and analyze data;
- Resources required for field survey work and for record keeping, including the provision of specialists in sociology, social anthropology and resettlement as specified in the Bank's policy;
- Any requirements to build the capacity and skills in monitoring and evaluation, including a training plan and budget;
- Time frame for data collection efforts, report preparation, and submission; and
- Budget for monitoring and evaluation.

Internal Monitoring

The EA usually has full responsibility for internal monitoring. Monitoring takes place against the activities, entitlements, time frame and budget set out in the RP. The internal monitoring is often based upon a card system kept in the monitoring office recording the entitlements due to and received by each affected household. The card system can be manual or computerized. Some countries provide each entitled household or person with a resettlement card recording their entitlements due and received for their own records.

The record system is supplemented by periodic survey designed to measure change against the baseline established during the initial census and survey work. The periodic survey focuses upon the receipt of entitlements by people affected and on the benefits indicators.

The authors of the RP will develop a method for the monitoring work, including periodic surveys and achievement of progress against activities and entitlements that comprise the Plan. The method will specify the survey plan, sampling framework, frequency, resources, and responsibilities. Monitoring will normally continue throughout the life of the project, even after the period of intensive resettlement activity. Bank policy specifies that complete recovery from resettlement can be protracted and may require monitoring well after resettlement activities are completed, sometimes after project facilities are commissioned and Bank financing is complete.

Monitoring indicators will be selected to address the specific contents of the activities and entitlements matrix. Sample monitoring indicators, from which specific indicators can be developed and refined according to the circumstances, are set out in Table 9.1.

External Monitoring and Evaluation

The EA normally appoints an independent agency for external M&E, to ensure complete and objective information. Post-evaluation of resettlement is an integral part of the project cycle. Independent evaluation can be done by an outside research or consulting agency, university department or development NGO. The tasks of the external agency are to:

- verify results of internal monitoring;
- assess whether resettlement objectives have been met; specifically, whether livelihoods and living standards have been restored or enhanced;
- assess resettlement efficiency, effectiveness, impact and sustainability, drawing lessons as a guide to future resettlement policy making and planning; and
- ascertain whether the resettlement entitlements were appropriate to meeting the objectives, and whether the objectives were suited to AP conditions.

Table 9.1

Potential Monitoring Indicators

Type of Monitoring	Basis for Indicators
Budget and Time Frame	<ul style="list-style-type: none"> • Have all land acquisition and resettlement staff been appointed and mobilized for the field and office work on schedule? • Have capacity building and training activities been completed on schedule? • Are resettlement implementation activities being achieved against agreed implementation plan? • Are funds for resettlement being allocated to resettlement agencies on time? • Have resettlement offices received the scheduled funds? • Have funds been disbursed according to RP? • Has the social preparation phase taken place as scheduled? • Has all land been acquired and occupied in time for project implementation?
Delivery of AP Entitlements	<ul style="list-style-type: none"> • Have all APs received entitlements according to numbers and categories of loss set out in the entitlement matrix? • Have APs received payments on time? • Have APs losing from temporary land borrow been compensated? • Have all APs received the agreed transport costs, relocation costs, income substitution support and any resettlement allowances, according to schedule? • Have all replacement land plots or contracts been provided? Was the land developed as specified? Are measures in train to provide land titles to APs? • How many APs households have received land titles? • How many APs have received housing as per relocation options in the RP? • Does house quality meet the standards agreed? • Have relocation sites been selected and developed as per agreed standards? • Are the APs occupying the new houses? • Are assistance measures being implemented as planned for host communities? • Is restoration proceeding for social infrastructure and services? • Are APs able to access schools, health services, cultural sites and activities? • Are income and livelihood restoration activities being implemented as set out in the income restoration plan, for example utilizing replacement land, commencement of production, numbers of APs trained and provided with jobs, micro-credit disbursed, number of income generating activities assisted? • Have affected businesses received entitlements including transfer and payments for net losses resulting from lost business and stoppage of production?

Table 9.1
Potential Monitoring Indicators (continued)

Type of Monitoring	Basis for Indicators
Consultation, Grievance and Special Issues	<ul style="list-style-type: none"> • Have consultations taken place as scheduled including meetings, groups, community activities? Have resettlement leaflets been prepared and distributed? • How many APs know their entitlements? How many know if they have been received? • Have any APs used the grievance redress procedures? What were the outcomes? • Have conflicts been resolved? • Was the social preparation phase implemented? • Were special measures for indigenous peoples implemented?
Benefit Monitoring	<ul style="list-style-type: none"> • What changes have occurred in patterns of occupation, production and resource use compared to the pre-project situation? • What changes have occurred in income and expenditure patterns compared to pre-project situation? What have been the changes in cost of living compared to pre-project situation? Have APs incomes kept pace with these changes? • What changes have taken place in key social and cultural parameters relating to living standards? • What changes have occurred for vulnerable groups?

The RP will set out the requirements for external M&E, usually in the form of a TORs for the external agency. The external team will usually be asked to provide an annual survey update of the original baseline, focusing on BME of resettlement objectives. The external team will set up a data base for monitoring and evaluation, building upon the project's own record keeping system. It may also include maps, charts, photographs of affected properties, copies of contracts and land titles, payments, and valuation documents relating to resettlement.



The questionnaire design and sample framework will be designed to develop a comparable data base of "before" and "after" resettlement conditions. The survey will generally incorporate a household questionnaire which obtains information on the key indicators of resettlement progress, efficiency, effectiveness, impact and sustainability. This may be supplemented by periodic PRAs (which will allow the evaluators to consult with a range of stakeholders

(local government, resettlement field staff, NGOs, community leaders and, most importantly, APs). The monitoring and evaluation team will also usually conduct at least one ex-post evaluation survey to assess the achievement of resettlement objectives, the

changes in living standards and livelihoods and the restoration of the economic and social base of the APs.

Box 9.1 sets out the basic requirements for the TOR for contracting out external monitoring and evaluation.

Box 9.1

Summary Terms of Reference for External Monitoring and Evaluation

- Aims and objectives of external M&E in relation to objectives of RP, DMC policy objectives and the Bank's policy
- Information needed to meet these objectives, with reference to the RP
- Method and approach to provide the information
- Detailed methodology, use of the existing baseline census and survey, periodic updates, sampling frame, arrangements for data collection, collation and analysis, quality control, and development of a recording and reporting system
- Participation of key stakeholders, especially APs, in monitoring and evaluation
- Resources required, including expertise in sociology, social anthropology and resettlement
- Time frame for M&E
- Reporting requirements

Table 9.2

Indicators for External Monitoring and Evaluation

Monitoring Indicators	Basis for Indicators
Basic information on AP households	<ul style="list-style-type: none"> • Location • Composition and structure, ages, educational and skill levels • Gender of household head • Ethnic group • Access to health, education, utilities and other social services • Housing type • Land and other resource owning and using patterns • Occupations and employment patterns • Income sources and levels • Agricultural production data (for rural households) • Participation in neighborhood or community groups • Access to cultural sites and events • Value of all assets forming entitlements and resettlement entitlements
Restoration of living standards	<ul style="list-style-type: none"> • Were house compensation payments made free of depreciation, fees or transfer costs to the AP? • Have APs adopted the housing options developed? • Have perceptions of "community" been restored? • Have APs achieved replacement of key social and cultural elements?

Table 9.2
Indicators for External Monitoring and Evaluation *(continued)*

Monitoring Indicators	Basis for Indicators
Restoration of Livelihoods	<ul style="list-style-type: none"> • Were compensation payments free of deductions for depreciation, fees or transfer costs to the AP? • Were compensation payment sufficient to replace lost assets? • Was sufficient replacement land available of suitable standard? • Did transfer and relocation payments cover these costs? • Did income substitution allow for re-establishment of enterprises and production? • Have enterprises affected received sufficient assistance to re-establish themselves? • Have vulnerable groups been provided income earning opportunities? Are these effective and sustainable? • Do jobs provided restore pre-project income levels and living standards?
Levels of AP Satisfaction	<ul style="list-style-type: none"> • How much do APs know about resettlement procedures and entitlements? Do APs know their entitlements? • Do they know if these have been met? • How do APs assess the extent to which their own living standards and livelihoods have been restored? • How much do APs know about grievance procedures and conflict resolution procedures?
Effectiveness of Resettlement Planning	<ul style="list-style-type: none"> • Were the APs and their assets correctly enumerated? • Were any land speculators assisted? • Was the time frame and budget sufficient to meet objectives? • Were entitlements too generous? • Were vulnerable groups identified and assisted? • How did resettlement implementors deal with unforeseen problems?
Other Impacts	<ul style="list-style-type: none"> • Were there unintended environmental impacts? • Were there unintended impacts on employment or incomes?

Participation of APs and NGOs in Monitoring, Review and Evaluation

Involvement of people affected and hosts in the M&E process may solve many day-to-day problems arising in the implementation of resettlement operations. APs, local CBOs, and/or NGOs should be involved. Participatory evaluation helps improve program performance by involving key players in evaluation design and implementation. PRA techniques foster the involvement of APs and other key stakeholders in resettlement monitoring and implementation.

Table 9.3
Comparison of Evaluation Methods

More controlled, positivist approach	More subjective, participatory approach
Pros	Pros
<ul style="list-style-type: none"> • Quick; easy to quantify • Straight-forward methodology • Likely to be directly relevant to the manner in which the project was designed • Seen to be more accountable • Easier to deal with and does not raise complex issues related to control of the activity 	<ul style="list-style-type: none"> • Views and perspectives of all stakeholders inform the result • Provides an opportunity for other realities to impinge (i.e., matters beyond the Project Framework) • Should lead to a closer mutual understanding and sense of shared purpose (the human foundation)
Cons	Cons
<ul style="list-style-type: none"> • Arrogant and insensitive • Results likely to reflect the values of the evaluator • Flawed assumptions about independent observation and capacity to capture 'reality' • Ignores human reality - change, political dynamics • Assumes simplistic cause and effect 	<ul style="list-style-type: none"> • May not fit the project format or framework • Can substitute for a rigorous examination of the achievements of the activity against its objectives • Few evaluators really know how to use participatory techniques • Can raise expectations that won't/can't be met
<p>Adapted from Evaluation Planning Checklist in <i>Bridging the Gap: A Guide to Monitoring and Evaluating Development Projects</i> by Bernard Broughton and Jonathan Hampshire, Australian Council for Overseas Aid, 1997.</p>	

Box 9.2

Steps in Conducting Participatory Evaluation

- Decide on the degree and nature of participation.
- Prepare the evaluation scope of the work.
- Conduct the team planning meetings through mini-workshops.
- Conduct the evaluation.
- Analyze the data and build consensus on results.
- Prepare further mitigative plans, if required.

Source: *Conducting a Participatory Evaluation*, USAID, Center for Development Information and Evaluation, 1996.

Box 9.3

Participatory Rapid Appraisal

- **Key informant interviews:** select local leaders, village workers or persons with special knowledge or experience about resettlement activities and implementation.
- **Focus group discussion:** specific topics (e.g., land compensation payments, services at resettlement sites, income restoration, gender issues) discussed in open-ended group sessions.
- **Community public meetings:** open public meetings at resettlement sites to elicit information about performance of various resettlement activities.
- **Structured direct observations:** field observations on status of resettlement implementation, plus individual or group interviews for cross-checking purposes.
- **Informal surveys/interviews:** informal surveys of APs, hosts, village workers, resettlement staff, and implementing agency personnel using non-sampled methods.
- **In-depth case studies** of APs and host populations from various social classes to assess impact of resettlement.

Source: *India: Handbook for Resettlement and Rehabilitation*, The World Bank, 1994.

Checklist: Monitoring and Evaluation

- Establish system of internal monitoring to assess progress in meeting key targets in the Resettlement Plan: budget and time frame, delivery of AP entitlements, consultation, grievance and special issues and benefits.
- Provide sufficient time, resources and funds for internal monitoring.
- Conduct regular reviews, based on monitoring and evaluation reports, involving key stakeholders including AP representatives. Reach consensus on actions required to improve resettlement performance and implement them.
- Establish a system for external monitoring and evaluation to assess achievement and suitability of resettlement objectives.
- Establish monitoring and evaluation reporting methods and reporting requirements.
- Involve APs, hosts, NGOs, and community in project monitoring and evaluation, using PRA and other methods.
- Include an ex-post evaluation of resettlement conducted by the independent external agency after completion of the project.
- Review lessons learned for resettlement policy making and planning.

Table 9.4

Monitoring and Evaluation in the Project Cycle: Key Action Points

Project Cycle	Key Action Points
Project Identification/ISA	<ul style="list-style-type: none"> • Conduct ISA as basis for future resettlement planning, monitoring and evaluation. • Identify project area.
PPTA Feasibility Study	<ul style="list-style-type: none"> • Consult with all stakeholders. • Conduct baseline with census and survey. • Establish an M&E plan as an integral part of the Resettlement Plan, involving internal and external resources, building on the established baseline.
MRM	<ul style="list-style-type: none"> • Review M&E plans for inter-agency coordination of activities. • Review budget and resources.
Appraisal	<ul style="list-style-type: none"> • Verify M&E plan will provide information on progress and achievement of resettlement objectives.
Loan Negotiation	<ul style="list-style-type: none"> • Include M&E in the Assurances.
Implementation	<ul style="list-style-type: none"> • Establish field level monitoring capability. • Involve AP/hosts and NGO in monitoring. • Monitor internally progress in meeting targets for budget and time frame, delivery of AP entitlements, consultation, grievance and special issues and benefits. • Engage external, independent specialists to monitor and evaluate progress and achievement of resettlement objectives. • Prepare regular reports on all aspects of M&E.
Monitoring and Evaluation	<ul style="list-style-type: none"> • Conduct ex-post evaluation of resettlement to assess the effectiveness, impact, impact and sustainability of resettlement entitlements; and to learn strategic lessons for future policy formulation and planning.

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Appendix 1

The Bank's Policy on Involuntary Resettlement

Introduction

That people should be at the center of development is increasingly recognized. However, there may be instances where a development intervention such as a road or a power generation project should proceed for the greater benefit of society, in spite of its potential adverse effects on some people. In such cases, the people who may be adversely affected by the development intervention should be consulted; compensated for their losses; and assisted to rebuild their homes and communities, reestablish their enterprises, and develop their potentials as productive members of society at a level generally at least equivalent to that which was likely to have prevailed in the absence of the development intervention. Attention to such matters is especially important when the people who may be adversely affected are poor and vulnerable, do not have the capacity to absorb such adverse impacts, and cannot remain productive without significant help.

This paper deals with proposed approaches to address involuntary resettlement, compensation, and rehabilitation of people displaced by development projects, particularly those to be supported by the Bank. It draws upon the experiences of (i) the Bank and its developing member countries (DMCs); and (ii) other agencies, including the World Bank. In particular, the World Bank's approaches and operational directive on involuntary resettlement are generously drawn upon because of (i) the similarities between Bank and World Bank operations in Asia; and (ii) the World Bank's much longer experience, dating back to at least 1980, with adopting and implementing involuntary resettlement policies that are particularly relevant to Asia.¹

The following sections provide information on the types of projects involving displacement of people, the magnitude and impacts of such displacement, the differences between voluntary migration and involuntary resettlement, and the linkage between involuntary resettlement and environment. Chapter 2 reviews involuntary resettlement experiences. Chapter 3 provides the rationale for the Bank's proposed policy on involuntary resettlement. Chapter 4 spells out the suggested implementation procedures to be adopted by the Bank in this area. Brief conclusions are provided in Chapter 5.

Involuntary resettlement is a sensitive area involving competing economic, social, and political interests that may be difficult to balance in the best of circumstances. Because the Bank has limited knowledge of resettlement, lessons drawn from the experiences of DMCs and other agencies need to be considered when addressing the issues. Any proposed policy and planning principles should be introduced and implemented with sensitivity to the particular political, legal, economic, social, and cultural contexts of a DMC. Such policies and principles should be revised and refined based on lessons learned.

¹ Of the World Bank's ongoing projects that involve involuntary resettlement, 64 percent are in Asia (40 percent in East Asia and 24 percent in South Asia). Another 20 percent is in Africa.

Projects Involving Displacement of People

Any development project that introduces significant changes in the patterns of use of land, water, or other natural resources may entail some adverse impacts on people who are currently using such resources and associated economic, social, cultural, and religious facilities. A large variety of projects involve acquisition or redirection of use of lands that are owned or utilized by individuals and communities. Examples of such projects are (i) construction of dams for irrigation and hydroelectric power generation; (ii) construction of highways, railways, and irrigation canal networks; (iii) construction of transmission lines and other facilities requiring rights-of-way; (iv) construction of airports; (v) construction, rehabilitation, or expansion of ports and towns; (vi) construction or improvement of urban infrastructure such as sewerage, subways, intracity roads, and more generally urban systematization; (vii) establishment of coal-fired thermal power generation plants and other polluting industrial plants; (viii) inception of mining operations, and particularly strip-mining; (ix) establishment of protected nature parks, biodiversity and conservation areas, grazing areas and transhumance² routes; and (x) forestry development, including reforestation, industrial tree plantations, clearing/harvesting of forests, and closure of forest areas.

Many of these projects may be of crucial importance for local, regional, and national development. However, they may also give rise to conflicts between long-term national development goals and interests of communities and individuals who are immediately and adversely affected. It is important to weigh the benefits against the costs of adverse impacts by examining development options that entail either no resettlement or minimal social and economic dislocation, and to find the means to reconcile the conflicting interests. Where resettlement is unavoidable, concrete measures must be taken to (i) protect the lives and welfare of those displaced by the projects; (ii) reduce and redress the loss of economic potential incurred by the affected people, and the local and regional economies; and (iii) assist in developing the economic, social, and cultural potential of the people and the communities so affected.

Magnitude and Impacts of Population Displacement

Ongoing World Bank projects in Asia are estimated to displace over 1.5 million people. Reliable estimates of the number of people displaced by ongoing Bank-financed projects are not readily available. However, some examples of the magnitude of population displacement in Bank-assisted projects are (i) the completed Batang Ai Hydropower Project in Malaysia displaced 3,600 Iban people in Sarawak;³ (ii) the ongoing Second Manila Port Project involves the displacement of 8,500 squatter families;⁴ (iii) the private-sector Hopewell Power (Philippines) Corporation Project in the Philippines displaced some 223 families;⁵ (iv) the Jamuna Multipurpose Bridge Project in Bangladesh is expected to require the relocation of up to 65,000 people;⁶ and (v) the Jingjiu Railway Project in the People's Republic of China involves the displacement of about 210,000 people.⁷ However, numbers alone may not present a full picture of the intensity of impact on the local people.

² Seasonal moving of livestock to another region.

³ Loan No. 521-MAL for US\$40.4 million, approved on 17 September 1981.

⁴ Loan No. 875-PHI for US\$43.5 million, approved on 15 December 1987.

⁵ INV No. 7089/1230-PHI for US\$50.0 million, approved on 18 May 1993.

⁶ Loan No. 1298-BAN(SF) for US\$200 million, approved on 8 March 1994.

⁷ Loan No. 1305-PRC for US\$200 million, approved on 14 July 1994.

Many development projects that require involuntary displacement of people generally have adverse economic, social, and environmental impacts on the displaced people. Homes are abandoned, production systems are dismantled, and productive assets and income sources are lost. Displaced people may be relocated to environments where their skills may be less applicable, the competition for resources may be greater, and host populations may be hostile or culturally incompatible. Well-established community structures, social networks, and kinship ties may be broken or weakened. Cultural identity, traditional authority, and the potential for mutual help may be diminished. For survival, displaced people may be forced to over-exploit ecologically fragile areas, exacerbating environmental degradation. The adverse impacts on host populations may also be significant. The absence of appropriate development measures for compensation, resettlement, and rehabilitation of the displaced people may (i) cause severe long-term hardship, impoverishment, and even decimation of the affected communities; (ii) adversely affect the host populations; and (iii) lead to severe environmental damage.

Voluntary Migration vs. Involuntary Resettlement

Voluntary movement of people such as rural-urban migration and transmigration programs organized by governments often stimulates economic growth. The people involved in such movements are likely to be (i) self-selected, young or middle-aged men that are single or (ii) households headed by such men. They are dynamic, and show initiative, and willingness to take risks and pursue new opportunities and challenges. Government-organized successful transmigration programs are often planned with significant attention not only to new home sites, but also to new livelihood opportunities, social services, community organizations and even cultural and religious needs. The planning of such programs is generally elaborate, involving surveys of natural resources including agro-climatic conditions in resettlement areas, and identification of suitable cropping patterns and other viable livelihood opportunities. Migrants are assisted to transfer to the new locations, given food and shelter to tide over the transition period, trained and advised on how to establish themselves, and provided support services such as access to credit, markets, and extension services. Often a number of government technical agencies are drawn in to provide the necessary support and services in the transmigration areas.

On the other hand, involuntary resettlement involves people of all ages and gender, some of whom may be evicted against their desires. Many of these people may be risk averse and may lack the dynamism, initiative, and wherewithal to move and reestablish in a new location and undertake new avocations. Women and households headed by them are likely to suffer more than men because the compensation is often paid to the men, households headed by women usually have fragile economic status, and women have limited access to many support services. Without significant help, people who are involuntarily resettled may become impoverished. If involuntary resettlement is unavoidable, it should be well planned and executed so that economic growth is enhanced and poverty reduced, especially for such vulnerable people.

Involuntary Resettlement and the Environment

Often, involuntary resettlement is addressed by governments, aid agencies, consultants, and the public under the general category of "environmental problems." This is probably because environmentalists have traditionally been at the forefront in identifying and publicizing the adverse effects of development interventions on environment and people.

Therefore, the proper understanding of involuntary resettlement with its social, cultural, psychological, economic, and environmental ramifications has strategic consequences, because it may lead to a different choice of project options including resettlement actions. Also, the social acceptance of a project by affected people may be critical for a project to proceed without costly delays and adjustments.

Understanding the complex social nature of involuntary resettlement should help governments, external agencies, and project managers address the issues with sociological tools of analysis and resources as a process of planned change. Rather than seek mitigation measures only, those involved would focus on involuntary resettlement as a socioeconomic development process through which the resettled people would be helped to reach generally at least the same level of well-being they might have attained in the absence of the development intervention.

Review of Involuntary Resettlement Experiences

Experiences of DMCs

The experiences of DMCs in involuntary resettlement is mixed. Since 1980, the People's Republic of China (PRC), with perhaps the largest number of people displaced (about 30 million) by development projects, has introduced numerous laws and regulations at various levels of government and that cover virtually every aspect of resettlement. These laws and regulations seem to offer protection to people whose living standards may be decreased by a development project. A recent World Bank study has concluded that the PRC resettlement laws related to transport, industry, and urban development projects "now fully meet the requirements of the World Bank's operational directive on resettlement and of the Organisation for Economic Cooperation and Development (OECD) resettlement guidelines."⁸ However, complaints about compensation and resettlement procedures persist and stem mainly from delays in payment and diversion of funds by local governments into community facilities rather than payments to individuals. Also, the regulations related to reservoir projects such as irrigation, water supply, and hydropower generation need strengthening as they permit lower compensation levels and slow restoration of pre-project standards of living of affected persons.

In India, the State of Maharashtra has had resettlement legislation since 1976. The 1976 law was replaced by the improved "Maharashtra Project Affected Persons Rehabilitation Act, 1986." The Act is applicable to irrigation projects and provides a framework for resettling affected people by providing replacement farmlands and homesteads in the command area of an irrigation project. The Act is based on the principle that people who benefited from a project should bear part of the burden of those who are afflicted by it. Maharashtra State's relatively good resettlement record can be attributed to this legislation. However, the record could be improved, for example, by guaranteeing restoration of living standards of all sections of the affected population, and protecting people with customary or usufruct rights. The states of Madhya Pradesh and Karnataka have introduced legislation similar to Maharashtra's in 1989/90.

Resettlement in other parts of India as well as in other countries is governed by general or project-specific government directives issued from time to time. Some of the directives are innovative in recognizing that some landowners benefit from a project and

⁸ World Bank, *China: Involuntary Resettlement*, Washington, D.C., 8 June 1993.

recovering at least a part of the costs from such beneficiaries. For example, some road projects in Korea require the landowners to surrender a part of their holdings along the road corridor and do not compensate for the land taken because the value of the remaining land will appreciate considerably due to the road. However, many of the directives seem to offer inadequate strategies for reestablishment and restoration of income of displaced peoples. The provisions may have been influenced by government policies and practices, the demands of affected persons and nongovernment organizations (NGOs), as well as the advice provided by aid agencies assisting in projects.

Strong institutional commitment sometimes compensates for lack of resettlement legislation. Neither Thailand nor Malaysia have resettlement legislation, but resettlement performance in the power sector in both countries has been relatively encouraging. The policies and plans to resettle the indigenous peoples affected by the Batang Ai Hydropower Project in Malaysia were carefully investigated and prepared. In Thailand, the public sector Electricity Generation Authority of Thailand has been improving its resettlement performance continuously since its formation in 1968, and its resettlement policy for each new project is based on the lessons learned from its previous experience. The Authority's resettlement strategy is based on direct negotiations with affected communities and formulation of a comprehensive compensation package.

A recent example from the Jamuna Multipurpose Bridge Project in Bangladesh indicates that it is possible to improve the resettlement policy framework of a DMC by working closely with country institutions. Bangladesh lacked particular laws and regulations of general applicability dealing with resettlement. With intensive assistance from the World Bank, the Jamuna Multipurpose Bridge Authority formulated a comprehensive resettlement policy and plan in October 1993 to resettle the 65,000 persons affected by the project.

Experience in Bank-financed Projects

Until recently, very few of the resettlement components in Bank-financed projects were carefully prepared. The completed Batang Ai Hydropower Project in Malaysia was an exception, as it was based on careful investigation, and social scientists familiar with the affected Iban peoples were involved right from the beginning. Detailed investigation of involuntary resettlement was not a routine practice in the past, and there was no formal policy on how to address resettlement issues at various stages of the project cycle. As a result, significant problems and delays were encountered during implementation of a number of projects such as the Second Manila Port Project in the Philippines. Similarly, resettlement issues associated with the ongoing Left Bank Outfall Drain (Stage 1) Project in Pakistan came to light and were investigated only in 1994, several years after project implementation began.⁹

However, more recent projects indicate a positive change. Thus, the ongoing private sector Hopewell Power (Philippines) Corporation Project in the Philippines and the Jamuna Multipurpose Bridge Project in Bangladesh incorporate detailed compensation, resettlement, and rehabilitation provisions. Both projects involved cofinancing with other agencies, including the International Finance Corporation and the World Bank. Resettlement issues are also reviewed during environmental impact assessment (EIA), which is now required for selected Bank-financed projects. One of the criteria for a project to be classified under the Bank's environmental Category A, which includes projects with potentially significant adverse environmental impacts, is displacement of a large number of people.

⁹ Loan No. 700-PAK(SF), for US\$122 million, approved on 25 October 1984 and cofinanced by the Bank, the World Bank and four other donors.

Experiences of the World Bank and Other Agencies

World Bank's Experience

The World Bank was one of the first international development aid agencies to formulate a policy on involuntary resettlement. The policy was first issued as an internal Operational Manual Statement (OMS 2.33) to staff in February 1980. Since then, it has been revised and reissued a number of times, most recently as an Operational Directive (OD 4.30) in June 1990, and it remains one of the most comprehensive resettlement policy statements. It describes the World Bank's policy objectives on involuntary resettlement as well as measures the borrowers are expected to take in operations involving resettlement. It also gives specific information on the review procedures that World Bank staff should follow for projects involving resettlement components.

Experiences of involuntary resettlement operations in World Bank-assisted projects between 1986 and 1993 were reviewed in 1993-1994.¹⁰ The review showed that of the World Bank's 1,900 ongoing projects in 1993, 146 (or less than 8 percent) involved involuntary resettlement. These projects displaced nearly two million people. A large majority of these projects (over 60 percent) were in East Asia and South Asia, and they accounted for about 80 percent of the people to be resettled. A small number of projects in Brazil, PRC, India, and Indonesia accounted for the bulk of the people displaced. Significant increases in the number of projects supported by World Bank and involving resettlement are expected in Bangladesh, Indonesia, Pakistan and Viet Nam. Globally, about 100 projects with a preliminary estimate of 600,000 people to be resettled have been proposed in the World Bank's 1994-1997 pipeline of projects.

The review showed that good resettlement can prevent impoverishment of affected persons and can even reduce their poverty by building sustainable livelihoods. However, inadequate resettlement induces local resistance to the project, increases political tensions, causes significant project delays, and postpones the flow of project benefits; and the benefits lost as a result of such avoidable delays may sometimes far exceed the additional cost of good resettlement. The World Bank's resettlement operations portfolio improved significantly during the period although resettlement operations and outcomes in a number of projects were not meeting the standards defined by the World Bank's policy.

Based on the World Bank's experience over the past 10-14 years, a number of major common factors that contribute to the success of resettlement were identified. These are (i) political commitment of borrowers in the form of laws, policies, and resource allocations; (ii) close adherence to established guidelines and procedures in implementation; (iii) sound social analysis, reliable demographic assessments, and appropriate technical expertise in planning for development-oriented resettlement; (iv) reliable cost estimates and provision of required financing, with resettlement activities phased in tune with civil works construction; (v) effective executing agencies that are responsive to local development needs, opportunities and constraints; and (vi) people's participation in setting resettlement objectives, identifying reestablishment solutions, and implementing them.

In May 1994, the World Bank's Board of Directors discussed the review, and broadly supported the approach, findings and recommended action plans. Semiannual reports on remedial actions planned to improve involuntary resettlement in ongoing

¹⁰ World Bank, Environment Department, *Resettlement and Development: The Bankwide Review of Projects Involving Involuntary Resettlement*, Washington, D.C., 8 April 1994.

World-Bank financed projects were circulated to their Board of Directors in November 1994 and May 1995.¹¹

Policies of Other Agencies

In recent years, a number of multilateral and bilateral agencies have prepared and adopted resettlement policies and/or guidelines that are similar to those of the World Bank. Thus, the Inter-American Development Bank adopted a set of resettlement guidelines in 1990. In 1991, the development ministers of all 17 members of the Development Assistance Committee of the OECD approved the adoption of uniform resettlement guidelines by their countries' aid agencies.¹² The Overseas Development Administration in the United Kingdom has adopted guidelines that are essentially the same as those of the World Bank. The Overseas Economic Cooperation Fund of Japan issued checklists on involuntary resettlement based on OD 4.30. Japan International Cooperation Agency was preparing its own technical guidelines for resettlement with World Bank advice. Although a number of agencies have prepared and adopted resettlement policies/ guidelines, data on their experiences are not readily available.

Resettlement and Local Organizations

Local government bodies, people's organizations, and mainstream development NGOs often play a constructive role in facilitating public discussion and dialogue, and assist in evolving pragmatic solutions. Their inputs may be beneficial for government decision making.

At the national and regional levels, local and regional NGOs are involved in (i) informing affected persons about projects that may have adverse impacts; and (ii) by networking with their international counterparts, and in lobbying for design modifications including change of location of such projects. Local government bodies, people's organizations, and some development NGOs may also play a useful facilitating role in planning and implementing involuntary resettlement. They may act as intermediaries between affected persons and the project executing agencies and facilitate the channeling of affected persons' views and preferences to the executing agencies. They may also mobilize affected persons and organize them to work together to minimize the adverse effects or maximize benefits. Thus, local government agencies, people's organizations and suitable development NGOs may be called upon to facilitate successful resettlement operations.

Involuntary Resettlement Policy

Rationale

Until recently, development-induced displacement of population was considered a "sacrifice" some people have to make for the larger good. Resettlement programs in general were limited to statutory monetary compensation for land acquired for the project, and occasionally development of a resettlement site.

¹¹ World Bank, "Status Report: Remedial Action Planning for Involuntary Resettlement," SecM94-1091, Washington, D.C., 4 November 1994, and "Final Report: Regional Remedial Action Planning for Involuntary Resettlement," SECM95-475, Washington, D.C., 18 May 1995.

¹² OECD, Development Assistance Committee, *Guidelines for Aid Agencies on Involuntary Displacement and Resettlement in Development Projects*, OECD/GD(91)201, Paris, 1991.

However, perceptions are changing because of delays in project implementation and benefits foregone; growing awareness about the potential adverse economic, social, and environmental consequences of population displacement; and increasing concern about people's welfare. Resettlement is viewed increasingly as a development issue. Policymakers, planners, and development practitioners have come to accept that inadequate attention to resettlement does not pay in the long run; and costs of implementation problems caused by lack of good involuntary resettlement can far exceed the costs of proper resettlement. Furthermore, impoverished people are a drain on the national economy; thus, avoiding or minimizing displacement as well as proper rehabilitation of those displaced make good economic sense as well as being fair to those adversely affected.

The Bank and its DMCs should see these changes in perceptions as an opportunity rather than an impediment. With the recent renewed emphasis on project quality and impact, the focus on affected persons and their welfare should (i) improve the way development projects are conceived, planned, and implemented; and (ii) make development not only economically but also socially and environmentally beneficial. This approach is in tune with the twin objectives of poverty reduction and sustainable economic growth.

So far, the Bank has not adopted a formal policy on involuntary resettlement. However, in recent years, some staff have been using the World Bank's operational directive (OD 4.30) as a guide in addressing resettlement issues in selected projects. The Bank's *Guidelines for Social Analysis of Development Projects* issued in June 1991 incorporated the essential features of OD 4.30 in an appendix.¹³ More recently, the President issued instructions to staff to adhere to the principles and approaches in OD 4.30 to deal with involuntary resettlement in Bank operations, pending formal adoption of a Bank policy on the subject.¹⁴

Formal adoption and implementation of a policy on involuntary resettlement is necessary to promote consistent improvements in Bank assistance to DMCs in this sensitive area. A policy on involuntary resettlement is necessary to (i) spell out the objectives and approaches, (ii) set the standards in Bank operations, (iii) provide staff with a clear perspective on the issues, (iv) assist borrowers in addressing the issues, and (v) adopt formal procedures to address systematically these aspects in Bank operations.

Bank Policy

The objectives of the Bank's policy on involuntary resettlement should be to (i) avoid involuntary resettlement wherever feasible; and (ii) minimize resettlement where population displacement is unavoidable, and ensure that displaced people receive assistance, preferably under the project, so that they would be at least as well-off as they would have been in the absence of the project, as contemplated in the following paragraphs.

Involuntary resettlement should be an important consideration in project identification. The three important elements of involuntary resettlement are (i) compensation for lost assets and loss of livelihood and income, (ii) assistance for relocation including provision of relocation sites with appropriate facilities and services, and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. Some or all of these elements may be present in projects involving involuntary resettlement. For any project that requires relocating people, resettlement should be an integral part of project

¹³ Asian Development Bank, *Guidelines for Social Analysis of Development Projects*, Appendix 6, Manila, June 1991. These Guidelines have been superseded by the *Guidelines for Incorporation of Social Dimensions in Bank Operations*, issued in October 1993.

¹⁴ Asian Development Bank, "Staff Instructions on Certain Policy/Administrative Issues — Involuntary Resettlement," 15 February 1994.

design and should be dealt with from the earliest stages of the project cycle, taking into account the following basic principles:

- (i) Involuntary resettlement should be avoided where feasible.
- (ii) Where population displacement is unavoidable, it should be minimized by exploring all viable project options.
- (iii) If individuals or a community must lose their land, means of livelihood, social support systems, or way of life in order that a project might proceed, they should be compensated and assisted so that their economic and social future will generally be at least as favorable with the project as without it. Appropriate land, housing, infrastructure, and other compensation, comparable to the without project situation, should be provided to the adversely affected population, including indigenous groups, ethnic minorities, and pastoralists who may have usufruct or customary rights to the land or other resources taken for the project.
- (iv) Any involuntary resettlement should, as far as possible, be conceived and executed as a part of a development project or program and resettlement plans should be prepared with appropriate timebound actions and budgets. Resettlers should be provided sufficient resources and opportunities to reestablish their homes and livelihoods as soon as possible.
- (v) The affected people should be fully informed and closely consulted on resettlement and compensation options. Where adversely affected people are particularly vulnerable, resettlement and compensation decisions should be preceded by a social preparation phase to build up the capacity of the vulnerable people to deal with the issues.
- (vi) Appropriate patterns of social organization should be promoted, and existing social and cultural institutions of resettlers and their hosts should be supported and used to the greatest extent possible. Resettlers should be integrated economically and socially into host communities so that adverse impacts on host communities are minimized. One of the effective ways of achieving this integration may be by extending development benefits to host communities.
- (vii) The absence of formal legal title to land by some affected groups should not be a bar to compensation. Affected persons entitled to compensation and rehabilitation should be identified and recorded as early as possible, preferably at the project identification stage, in order to prevent an influx of illegal encroachers, squatters, and other nonresidents who wish to take advantage of such benefits. Particular attention should be paid to the needs of the poorest affected persons including those without legal title to assets, female-headed households and other vulnerable groups, such as indigenous peoples, and appropriate assistance provided to help them improve their status.
- (viii) The full costs of resettlement and compensation, including the costs of social preparation and livelihood programs as well as the incremental benefits over the "without project" situation, should be included in the presentation of project costs and benefits.
- (ix) To better assure timely availability of required resources and to ensure compliance with involuntary resettlement procedures during implementation, eligible costs of resettlement and compensation may be considered for inclusion in Bank loan financing for the project, if requested.

The Bank's support for projects requiring significant involuntary resettlement should include assistance to the government and other project sponsors to (i) adopt and implement the above objectives and principles of the Bank's policy on involuntary resettlement within their own legal, policy, administrative and institutional frameworks; (ii) build the capacity of the government and other project sponsors to effectively plan and implement involuntary resettlement in the projects; and (iii) strengthen the DMC's capacities and macro frameworks for involuntary resettlement. Where serious differences on major aspects between project sponsors and affected persons are evident, adequate time should be allowed for the government and other project sponsors to resolve these differences before the Bank commits support for the project. If requested by the government, the Bank should be prepared to assist as appropriate. The government and project sponsors are responsible for resolving the differences.

For projects or programs involving displacement of people and for projects that are likely to encounter significant social resistance, the social preparation of the adversely affected persons and their communities into which they will be resettled would be an important means to obtain their cooperation for the project to proceed. For all public and private sector projects that involve significant involuntary resettlement, the government and other project sponsors should be assisted in preparing and submitting to the Bank, before loan appraisal, a satisfactory resettlement plan with time-bound actions and budgets.

Implementation Procedures

Initial Social Assessment

An initial social assessment (ISA) is required for every development project in order to identify the people who may be beneficially and adversely affected by the project. It should assess the stage of development of various subgroups, and their needs, demands, and absorptive capacity. It should also identify the institutions to be involved in the project and assess their capacities. The ISA should identify the key social dimensions aspects (such as involuntary resettlement, indigenous peoples, poverty reduction and women in development) that need to be addressed under the project.¹⁵ The ISA should be undertaken as early as possible in the project cycle and preferably by the time of fact-finding for a project preparatory technical assistance (PPTA). If the ISA identifies that resettlement is likely to be involved in the project, a resettlement plan should be prepared, preferably in conjunction with preparation of the project feasibility study.

Resettlement Plan

Where population displacement is unavoidable, a detailed resettlement plan with time-bound actions specified and a budget are required. Resettlement plans should be built around a development strategy; and compensation, resettlement, and rehabilitation packages should be designed to generally improve or at least restore the social and economic

¹⁵ For detailed explanation on ISA, see *Guidelines for Incorporation of Social Dimensions in Bank Operations*, Asian Development Bank, Manila, October 1993, pp. 23-26; and for subsectoral checklists, etc., please see *Handbook for incorporation of Social Dimensions in Projects*, Asian Development Bank, Manila, May 1994. The preparation of an ISA may entail the inputs of a sociologist or social anthropologist for 5-10 days for a simple project and up to 2 months for a complex project serving a large number of people belonging to diverse groups.

base of those to be relocated. Monetary compensation for land alone may not be adequate. Voluntary relocation by some affected persons may form part of a resettlement plan, but measures to address the special circumstances of involuntary resettlers should also be included. Preference should be given to resettlement of people dislocated from agricultural settings unto similar settings. This is particularly important for indigenous peoples whose degree of acculturation to mainstream society is limited. If suitable land is unavailable, other strategies built around opportunities for wage employment or self-employment may be used.

The contents and level of detail of resettlement plans, which will vary with circumstances, especially the magnitude of resettlement, should normally include a statement of objectives, policies, and strategy, and should cover the following essential elements: (i) organizational responsibilities; (ii) community participation and integration with host populations; (iii) socioeconomic survey; (iv) legal framework including mechanisms for resolution of conflicts and appeals procedures; (v) identification of alternative sites and selection; (vi) valuation of and compensation for lost assets; (vii) landownership, tenure, acquisition, and transfer; (viii) access to training, employment, and credit; (ix) shelter, infrastructure, and social services; (x) environmental protection and management; and (xi) implementation schedule, monitoring, and evaluation.

Cost estimates should be prepared for these activities; they should be budgeted; and implementation of the activities should be scheduled with time-bound actions in coordination with the civil works for the main investment project. The resettlement plan should have an executive summary. A summary resettlement plan should be included in the draft Report and Recommendation of the President (RRP) for Management Review Meeting, and in the final RRP for Board circulation. The Office of Environment and Social Development (OESD) should be consulted in the preparation of the summary resettlement plan. To assist staff and project sponsors, a set of guidelines and an annotated outline of a resettlement plan will be prepared and issued after the resettlement policy is approved by the Bank.

Responsibility for Resettlement

As is common with all projects, the responsibility for planning and implementing resettlement rests with the government and other project sponsors. The Bank should support the efforts of the government and other project sponsors, as required, through (i) assistance in formulating and implementing resettlement policies, strategies, laws, regulations, and specific plans; (ii) providing technical assistance to strengthen the capacity of agencies responsible for resettlement; and (iii) financing eligible costs of resettlement, if requested.

Project Processing

If the project is likely to involve significant involuntary resettlement, Bank staff should inform the government and other project sponsors of the Bank's involuntary resettlement policy. Starting early in the project cycle, staff should assess government policies, experiences, institutions, and the legal framework covering resettlement. It is important to ensure that involuntary resettlement is avoided where feasible and minimized if it is unavoidable; that laws and regulations concerning displaced people provide for compensation sufficient to replace all lost assets; and that displaced persons are assisted to relocate and generally at least restore their former living standards, income-earning capacity, and production levels.

If the ISA identifies the need for a resettlement plan, appropriate provisions should be made in the PPTA to assist the government and other project sponsors prepare such a plan. The resettlement plan should be submitted by the government or the private project sponsors to the Bank, preferably together with the feasibility study for the project, but in any case, before project appraisal, as the costs and implementation of resettlement are likely to critically affect the overall costs and implementation schedule of the investment project.¹⁶ The OESD should assess the adequacy of the resettlement plan in conforming to the Bank's policy. The project profile for each project involving significant involuntary resettlement should include appropriate information on resettlement aspects drawn from the ISA and the resettlement plan as applicable.

Project Implementation

Resettlement components should be reviewed thoroughly throughout project implementation. Bank review missions should include, as far as possible, persons with expertise in resettlement, sociology or social anthropology. Semiannual reviews of large-scale resettlement operations are recommended, and in-depth reviews of midterm progress are critical. The reviews should be planned from the outset to allow the government, the project sponsors, and the Bank to make necessary adjustments in project implementation. Complete recovery from resettlement can be protracted and may require monitoring well after affected persons are relocated, sometimes even after project facilities are commissioned and Bank financing is completed.

Application of Policy

This policy will be applicable to all projects approved after 31 December 1995. Until the beginning of 1994, the Bank has been using the World Bank's Operational Directive (OD 4.30) on Involuntary Resettlement as a guide in addressing resettlement aspects. Pursuant to Staff Instructions issued by the President on 15 February 1994, the Bank has been implementing an involuntary resettlement policy based on the World Bank's Operational Directive (No. 4.30) on Involuntary Resettlement. A review of experience with involuntary resettlement in ongoing Bank-financed projects is proposed under a regional technical assistance to (i) learn about strengths and weaknesses, (ii) identify projects and project components requiring remedial actions, and (iii) recommend strategies and mechanisms to improve the project performance. The findings of the review would also be a useful input to future revisions of the Bank's policy on involuntary resettlement.

Monitoring and Reporting

Staff of the Projects Departments should monitor regularly the involuntary resettlement aspects of ongoing Bank-financed projects, and the progress should be reported in the Project Administration Committee Notes. Annual reports on involuntary resettlement aspects of ongoing projects should be prepared by the OESD in consultation with Operational Departments. These reports should be circulated to the Board of Directors for information

¹⁶ In the case of sector loans that are likely to involve significant involuntary resettlement, a broad assessment of the likely magnitude of the resettlement should be made. At least one of the sample subprojects to be appraised should include involuntary resettlement. The criteria and outline of a resettlement plan for other subprojects should be included in the RRP. Bank review of the resettlement plans for other subprojects should be mandatory.

along with the corresponding Semi-Annual Reports on Project Administration. The Bank should review the experience with the Involuntary Resettlement policy after the policy has been implemented for about two years. A report on this review, including any recommended modifications to the policy, should be submitted to the Board of Directors.

Resource Implications

Along with formulation of the policy on resettlement, the Bank needs to develop adequate institutional capacity to facilitate effective implementation of the policy. Additional resources will be needed to orient and train staff and recruit new staff with training in sociology or social anthropology to address involuntary resettlement aspects in the operations. Thus, the upfront operational costs of staff time, consultants, and business travel are likely to increase, as will the technical assistance resources and the lead time required for project preparation and processing. At the same time, monitoring and evaluation of resettlement components may require increased staff resources, consultant inputs, and business travel budgets.

The preparation of a resettlement plan may require 2-4 weeks of local consultant inputs for a simple project involving resettlement of a small number of people whereas a plan involving a large number of people to be resettled in a complex project may require about 15 months of staff and consultant inputs in addition to the inputs of the executing agencies, and may take up to two years. For example, preparation of the resettlement plan for the Jamuna Multipurpose Bridge Project in Bangladesh took about two years and involved more than 14 person-months of World Bank staff and consultant inputs, in addition to the inputs of the executing agency. The costs of the compensation, resettlement, and rehabilitation component were estimated to be under 10 percent of the total Project cost.

During 1994, the staff of the Social Dimensions Unit reviewed, among other things, 29 loan and 18 technical assistance projects that involved involuntary resettlement to some degree or other. Of the 29 loan projects reviewed, 25 were at various stages of processing, 2 were under implementation, and project completion reports were being prepared for the remaining 2. One of the loan projects under processing and one under implementation were in the private sector. The country distribution of loan projects was quite widespread with 7 in the PRC; 6 in the Philippines; 3 in Indonesia; 2 each in Bangladesh, Nepal, and Viet Nam, and 1 each in Cambodia, India, Lao, Malaysia, Pakistan, Thailand and Tonga. Of the 18 technical assistance projects with resettlement aspects reviewed in 1994, 14 were for project preparation and 4 were for advisory and operational support.

About 32 loan projects being processed for 1995 are likely to involve involuntary resettlement aspects in varying degrees. Many of these projects are carried over from 1994. The country distribution of these projects is 6 each in the PRC and Pakistan; 4 in Indonesia; 3 each in India, Nepal, and the Philippines; and 1 each in Bangladesh, Bhutan, Lao PDR, Malaysia, Mongolia, Sri Lanka and Viet Nam. Also, 18 PPTAs being processed in 1995 are likely to involve issues of involuntary resettlement.

The World Bank's experience in addressing involuntary resettlement aspects in Asia and the Pacific could indicate the likely resource implications for the Bank. In its two Regional Vice Presidencies covering operations in Asia and the Pacific, the World Bank had, in 1994, four full-time staff and four long-term consultants at headquarters looking after involuntary resettlement aspects. In addition, the World Bank had one staff person each in its Beijing, Dhaka, Jakarta, and New Delhi resident offices looking after resettlement aspects. The World Bank also hired short-term consultants to assist with specific assignments in

this area. According to the World Bank staff in the Asia Technical Department, review of resettlement aspects at headquarters takes, on average, about 4-5 days for simple projects with well formulated resettlement plans. The staff indicated that it may take anywhere from 2-3 to 6-8 weeks of a staff specialist's time to help prepare a resettlement plan in the field, depending on the nature of the project, the magnitude of resettlement involved, the capacities of the executing and implementing agencies, and the attitudes and developmental level of the affected people.

Based on the above and taking into account the mix of projects in the existing portfolio and those to be included in the Bank's future lending portfolio, it is reasonable to expect that 8-10 professional expert years may need to be devoted annually to adequately address involuntary resettlement aspects in projects under processing, and another 4-6 expert years annually for monitoring and administration of ongoing Bank-financed projects. Some of the expert years required in project preparation could be incorporated in PPTAs and some of that needed for project processing and administration could be provided by staff consultants. However, in-house expertise in this area needs to be augmented by recruiting 3-4 additional staff with requisite expertise. These requirements could be met through reallocation of staff positions. With improved planning and preparation, many of the delays in implementation normally encountered in such projects could be avoided. Overall, although overhead costs for the Bank are likely to increase in the short to medium term, the quality of such projects and their impacts is likely to improve as a result of devoting increased attention to involuntary resettlement.

Conclusions

The objective of the Bank's policy on involuntary resettlement should be to avoid or minimize resettlement, wherever feasible. If population displacement is unavoidable, the strategy should be to ensure that the people affected by project are, as contemplated above, generally at least as well off after resettlement as they would have been without the project. Addressing resettlement in Bank operations may entail some additional costs, but the benefits to the DMCs should outweigh the costs to the Bank. Good resettlement may be beneficial from economic, social, and environmental considerations, and should contribute to improved project quality and impact. It will also promote more equitable development.

Appendix 2

Sample Terms of Reference for Full Resettlement Plan

Objectives

The study objective is to prepare a Resettlement Plan (RP) which sets out strategies to mitigate adverse effects and to maintain living standards of those affected by land acquisition and any other resettlement effects. It will set the parameters for the entitlements package for those affected, the institutional framework, mechanisms for consultation and grievance resolution, the timeframe and cost estimates.

The agreed entitlements package will include both compensation and measures to restore the economic and social base for those affected. It will address the policy objectives of the Bank and of the government for land acquisition and resettlement.

Time Frame

The full RP will be completed before Appraisal. A total of three person-months is allocated for the international consultant. The international consultant will prepare a summary RP before the Management Review Meeting.

Personnel

The study requires one international consultant together with three local assistants for survey work. The consultants will work in close cooperation with the PPTA Feasibility Study Team and the Executing Agencies, who will provide personnel to assist in the preparation of the RP.

Tasks

1. Document any steps taken to reduce land acquisition and resettlement impacts through changes in the alignment or scope of project components. Prepare options for discussion with other team members to minimize resettlement effects through modifying the preliminary and final technical designs.
2. Conduct participatory rapid appraisal (PRA) in the area. Identify key stakeholders and consult closely with them on their views about the project and resettlement effects, including the people likely to experience resettlement effects. Identify any vulnerable groups (for example the very poor, those without formal title, pastoralists, households headed by women, indigenous peoples, isolated groups, the disabled) who might require special assistance and consult with them. Decide whether a process of social preparation is required for some or all of the people affected in order to build their capacity to

address resettlement issues. If so, design a social preparation phase as part of the RP preparation. If not, choose methods to foster the participation of all key stakeholders in the process of resettlement planning and implementation.

3. Conduct a census of all of the people potentially affected, to determine the scope and magnitude of likely resettlement effects, and to list likely losses. Suggest a cut-off date for entitlements.
4. Conduct a socioeconomic survey of a sample of 20 percent of the people affected. Establish a baseline of incomes and expenditures, occupational and livelihood patterns, use of resources, arrangements for use of common property, social organization, leadership patterns, community organizations, and cultural parameters.
5. Consult with the agencies responsible for land acquisition and resettlement on the Bank policy on Involuntary Resettlement. Review the laws, regulations and directives of the government that apply to land acquisition and resettlement to determine whether they would allow full restoration of living standards and livelihoods, including for those without formal title. In this review, consider the scope of the power of eminent domain, the method for valuing assets, the timing and method for paying compensation, the legal and administrative procedures applicable, land titling and registration procedures, and the framework for environmental protection.
6. Prepare an entitlements matrix listing all likely effects, both of permanent and of temporary land acquisition. Establish criteria for the resettlement eligibility of affected households. Prepare standards for compensation and restoration of the social and economic base of the people affected to replace all types of loss. Prepare a formula for setting replacement values for assets lost, including land. Establish options for culturally acceptable replacements for lost services, cultural sites, common property or access to resources for subsistence, income or cultural activities.
7. Prepare options for relocation and for income restoration which build upon the existing social, economic and cultural parameters both of the people affected and of any host populations. Make special provision for any vulnerable groups, including those without legal title to assets. Provide for relocation costs, lost income and income support during transition. Where appropriate, prepare relocation plans including selection and preparation of relocation sites. Make provisions for landownership, tenure and transfer, and access to resources. Where incomes must be restored, provide for needs assessment, employment generation and credit disbursement. Where affected people are to change their occupation, provide for training and vocational support mechanisms. Review the likely environmental impact of the resettlement process, and build in plans to mitigate any adverse environmental effects.
8. Prepare a framework for participation of people affected in the finalization of project component designs, entitlements and the implementation of land acquisition and resettlement. Prepare special measures for consultation with any vulnerable groups. Specify mechanisms for the resolution of grievances and an appeals procedure.
9. Prepare an institutional framework that designates responsibilities to prepare the detailed assets inventories, provide compensation, undertake relocation work, take responsibility for income restoration, supervise, manage and monitor the implementation of land acquisition and resettlement. This includes the environmental management and monitoring for the resettlement process. Recommend an institutional strengthening strategy and or formation and training of a resettlement unit within the executing agency, if required.
10. Prepare a monitoring and evaluation plan, identifying the responsibilities, time frame and some key indicators. This will include ongoing monitoring by key agencies

Appendix 3

Resettlement Policies in Selected DMCs

People's Republic of China

The 1986 *Land Administration Law* and its 1988 amendments clarify land rights and registration of use rights for state-owned land, providing guidance to provinces, cities, prefectures, counties, districts and collectives responsible for implementing land acquisition and resettlement. This Law formalizes procedures for consultation and grievance resolution for persons affected. Provinces can draw up guidelines to conform with the national Law, or give cities and counties the right to enact additional regulations. Projects that cross provincial boundaries pose particular challenges in ensuring uniform compensation and restoration measures for people affected.

Large and medium hydropower projects are subject to separate reservoir resettlement design standards (1991), with lower compensation standards than for other sectors. In reservoir projects compensation can include a maintenance and construction fund that allocates a small proportion of power or water revenue generated to support resettlement costs. Regulations, framed in 1984 and updated in 1991, govern urban development projects, providing measures for consultation and grievance resolution for persons affected. Urban dwellers without a residence permit might not receive compensation or rehabilitation assistance.

In rural PRC, production groups and villages allocate land use to member families under long-term contracts, which carry obligations to meet grain and tax quotas set by the township governments. Individuals cannot buy or sell landownership rights, even if, in some areas, they can trade use rights. All members of the collective share equally in land compensation. The village unit carries the responsibility, if land is acquired, for rearranging landuse contracts and intensifying agriculture to reabsorb workers. Alternatively the village might assign non-farm jobs in enterprises such as township and village enterprises (TVEs), often with assistance from the township and county governments. If reabsorption within the village economy is impossible due to land and population constraints, then the village unit can switch some members to non-agricultural residence permits, particularly in urbanizing areas.

India

State-level resettlement policies exist in Bihar, Orissa, Maharashtra, Madhya Pradesh, Gujarat, Punjab, Karnataka, and Andhra Pradesh. Elsewhere, land acquisition and resettlement are governed by general or project-specific directives. There are some sectoral policies (e.g., Coal India Ltd., Maharashtra State Electricity Board) and several parastatal policies (National Thermal Power Corporation).

Indonesia

Presidential Decree No. 55/1993, on *Land Acquisition for the Development of the Public Interest*, is the key document, drawing upon earlier laws, including Law Number 5

of 1960, the *Basic Agrarian Law* that delineated the categories of land ownership and usage. These are very complex due to the overlapping of traditional adat land rights, western land use rights and recent developments in tenure.

The Decree of 1993 specifies grievance procedures for landowners; defines “public interest” for development purposes; separates private projects, which should use regular land purchase arrangements; places more emphasis on community consultation and reaching agreement with people affected on the form and the amount of compensation; and presents expanded options for compensation including cash, substitute land, formal land title, and resettlement.

The Regulation of the Minister of State for Agrarian Affairs and National Land Agency No. 1 of 1994 on *Operational Directive of the Decree 55/93 on the Acquisition of Land for the Construction in the Public Interest* is the enabling regulation for implementing the Decree. This specifies that each Provincial Governor establish a Land Acquisition Committee in each *kabupaten* and *kotamadya* to be chaired by the *Bupati* or *Walikota*. The Committee also includes representatives of the Level II Land Office, Tax Office, buildings office, agriculture office, the heads of the district and village, and two other non-members. The Governor will establish a Provincial Land Acquisition Committee if the development covers more than one Level II territory. Governors can also issue project-specific decrees with guidelines on specific procedures and entitlements for compensation and rehabilitation for people affected, as a basis for planning, implementing and monitoring resettlement according to Presidential Decree No. 55/93. Several World Bank-funded projects in Bali and East Java have used this approach.

The Committees have the powers to make an inventory of land and other assets on land to be acquired, to investigate the legal status of the land; to inform and negotiate with the people affected and with the agency acquiring the land; to estimate compensation; and to document and witness the compensation payments.

A related Government Regulation, No. 51 of 1993 on *Environmental Impact Assessment*, requires a management and monitoring plan for environmental impacts, including land acquisition and resettlement. It also requires mitigation of social impacts, public disclosure and community consultation.

Pakistan

The *Land Acquisition Act* (1894 with subsequent amendments) governs land acquisition for development purposes by the Government of Pakistan. Section 4 allows preliminary notification for survey. Section 6 provides for declaration of intended acquisition. Section 8 deals with detailed survey and planning. Sections 11 to 15 and 23 to 28 provide for inquiry by the Land Collector into claims and values, and the setting of compensation levels, primarily through interpretation of market value. Sections 16 and 17 provide for compulsory acquisition, while Section 18 allows for redress of grievance at the District level Civil Courts, and above, if necessary.

Each province has its own application and interpretation of the Act through the provincial Land Revenue Department and the Land Acquisition Collector. Generally, compensation rates are set through an officially determined registered market value which draws upon past market prices and might not reflect the current market cost. Ghazi Barotha Hydroelectric Project is an example of a project that introduced new resettlement management practices. These include an independent panel of environmental and social specialists; studies on detailed environmental and resettlement issues; involvement of Pakistani NGOs and local community organizations in active dialogue, including scoping sessions; and

establishment of a project information center and subcenters for contact with people affected with translation and distribution of key documents to them. Measures were agreed for asset compensation at replacement rates and also for rehabilitation of people affected to restore, or enhance, their income-earning potential and living standards. The project changed the Punjab 1983 rule on land valuation by the Land Collector, based on assessment of officially determined market values. Instead, a Committee (comprising WAPDA, NGO and representatives of persons affected) has been established to set the compensation rates, in consultation with people affected.

Philippines

The 1987 *Philippine Constitution* sets the basic policy for land and requires just compensation for expropriation of private property by the State. Executive Order 1035 (1985) sets the guidelines for government acquisition of private properties for development purposes, using either negotiated sale or expropriation. Sections 17 and 18 provide for resettlement of tenants, farmers and other non-titled occupants through the Ministry of Human Settlements (now abolished) and the then Ministry of Agrarian Reform (now the Department of Agrarian Reform) and the acquiring agency. They also compensate for lost crops of displaced tenants, cultural communities and settlers.

The 1992 Republic Act No. 7279 on *Urban Development and Housing* sets the grounds, procedures and requirements for eviction of squatters from land required for an infrastructure project. This Act requires all city and municipal governments to conduct an inventory of lands and improvements, together with the Housing and Land Use Regulatory Board. This forms the basis for identification of government land for "socialized housing and resettlement areas for the immediate and future needs of the underprivileged and homeless in the urban areas..." Articles V and VI set the terms for a program of shelter provision "for the underprivileged and homeless" in consultation with private developers and government agencies. Article VII provides for Urban Renewal and Resettlement, primarily focusing on on-site development as a first choice. This allows for eviction of "professional squatters" without any compensation. It also sets the procedures for eviction of the "underprivileged and homeless citizens" from risky areas. Such people should be identified, consulted and provided with financial assistance in cash. Through the auspices of local government and the National Housing Authority they would be relocated to sites with basic services, facilities and access to jobs. Separate Implementing Rules and Regulations (IRR), formulated through inter-agency coordination, accompany the provisions of this Act.

Supplementary rules set guidelines for summary evictions (1993); for acquiring land for socialized housing (1993); and for valuing land for socialized housing (1992). Additional rules ensure "proper and humane relocation and resettlement," providing for grievance resolution against Republic Act 7279. Memorandum Circular No. 35 covers rights of way. Republic Act 7160 of 1992 (the *Local Government Code*) allows local government to exercise eminent domain on payment of just compensation.

Some other Acts govern sector agencies. For example, the Republic Act 7638 of the Department of Energy (1992) directs that a share of the electricity sales be directed to a Development and Livelihood Fund and environmental improvements.

Viet Nam

The *Land Law* of 1993, a comprehensive land administration law, states that land belongs to the people, with the State as its sole administrator, reserving the right to allocate

land and determine its usage. Every commune is required to keep up to 5 percent of its agricultural land for welfare or public benefit. The State maintains the land use classification system which determines land use, which helps to preserve scarce agricultural land. The State also determines the value of land for purposes of taxes and compensation. The *Land Law* clarifies the rights of people to use and transfer real property and assets, based on certificates issued by local government. Families and individuals who have been allocated land have the right to exchange their land, transfer the use rights to others, rent the land for a period of three years, bequeath it or use it as collateral. Use rights are generally renewed after 20 or 50-year periods. Article 27 of the *Land Law* provides for the State to recover land for purposes of national defense, security, national benefit or public benefit; and for the land user to be compensated for the loss. Users must be informed of the reason, time frame and resettlement plan before expropriation.

The Residence Law of the State Council, 1991, identifies three types of ownership of residences: state-owned, collectively-owned, and privately-owned. It provides the basis for protection of residential property ownership by private individuals. In practice, sale of a residence seems to entail sale of the land on which it is built. Decree 60 of 1994 affirms the Residence Law.

Decree 64 of 1993 sets regulations governing the allocation of land use rights to most land users. It guarantees the allocation of land to the private sector.

Official Message 1044/KTN of the Prime Minister, 1995, declares a moratorium on transfer of riceland to other uses. Decree 87/CP provides for pricing different types of land. Decree 90/CP of 1994 is based on the 1993 *Land Law* and sets compensation levels for recognized users for land appropriated. Illegal land users are not compensated. Compensation provides an alternative piece of land of a similar class, or else cash compensation according to the class and type of land. The value will be determined according to the government price scale. Compensation rates for annual and perennial crops are calculated according to market value.

Appendix 4

Resettlement Monitoring: Sample Formats for Monthly Progress Reports

Administrative Monitoring System							
Resettlement Activities	Total Task	Targeted Achievement in Year 1				Targeted Achievement Year 2	Targeted Achievement Year 3
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter		
1. Consultation with stakeholders							
2. Socioeconomic survey and APs identification							
3. Land acquisition							
4. Compensation payment							
5. Site selection and development							
6. Plot distribution							
7. Relocation of displaced persons							
8. Income restoration programs							

Field-level Monitoring of Resettlement Activities							
Resettlement Activities	Total Task	Targeted Achievement in Year 1				Targeted Achievement Year 2	Targeted Achievement Year 3
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter		
1. Land acquisition							
2. Finalization of APs list							
3. Final list of displaced persons							
4. ID card of APs							
5. Compensation payments							
6. Site selection							
7. Site development							
8. Plot distribution							
9. Relocation/Shifting							
10. Formation of APs committees							
11. Replacement land							
12. Income restoration plan							
13. Training							
14. Employment							
15. Group-specific development project							

