



European Bank
for Reconstruction and Development

Resettlement Guidance and Good Practice



Foreword

Resettlement can be incredibly challenging, both for those being resettled and for those designing and implementing the process, but managed properly it can bring long-term economic and social benefits for affected communities. However, this can only happen if there is upfront investment in listening to and involving affected people so as to find solutions that meet their needs.

The European Bank for Reconstruction and Development (EBRD) recognises that the planning and implementation of resettlement is difficult in practice because no one set of circumstances is ever the same. Appropriate measures for one project may be the very opposite for another – some projects only have very minor impacts while others might involve the relocation of an entire community. It is impossible to advise a single approach that will adequately address every issue.

The one common element of all resettlement that takes place, however, is that it affects people and communities and the way they go about their daily lives. Resettlement usually means that people will need to move house or change how they earn their income – two life events which are generally recognised as very stressful, and even more so when they are forced upon you by factors outside of your control. The main focus of any resettlement and livelihood restoration programme therefore has to remain firmly on those who are affected.

The purpose of this *Resettlement Guidance and Good Practice* document is to share our relevant experiences and provide practical information to help you determine your approach to addressing physical and/or economic displacement for your specific project.

Resettlement Guidance and Good Practice describes a process, outlined in Performance Requirement 5 of the EBRD's Environmental and Social Policy, which is, we hope, easy to understand and practical, regardless of the severity of impacts; that facilitates the consideration of all stakeholder views; and respects legal requirements.

If there is one message we would like you to take away from this guide, it is that placing the affected people at the heart of the process and making the effort to understand and accommodate their individual needs and concerns will facilitate a smoother implementation and will minimise costs, of all kinds, in the long run.

However you might be involved in a resettlement process, we hope that *Resettlement Guidance and Good Practice* is a useful guide for you and we welcome your feedback.

Abbreviations

EBRD	The European Bank for Reconstruction and Development
ESIA	Environmental and social impact assessment
GPN	Good practice note
IDP	Internally displaced person
IFI	International financial institution
LAR	Land acquisition and resettlement
LRF	Livelihood restoration framework
LRP	Livelihood restoration plan
NGO	Non-governmental organisation
PAP	Project-affected person
PPP	Private-public partnership
RAP	Resettlement action plan
RF	Resettlement framework

Disclaimer

This document contains references to good practices; it is not a compliance document. It should be interpreted bearing in mind the environmental and social policy adopted by the EBRD (2014). In case of any inconsistency or conflict between this document and the environmental and social policy adopted by the EBRD, such policy shall prevail. Questions of interpretation shall be addressed solely in respect of this policy.

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Imagine you are being resettled

You have just received an official notice that a road is going to be built through your land or house and that an official land acquisition procedure will be initiated shortly. Your house will be demolished and you will no longer be able to live in it or use your land.

What thoughts might you have at that moment?

The negatives:

- I don't want to move, I love my home
- My children go to school around the corner, a move might be distressing for them
- My best friend lives five minutes away, I won't be able to see her as often if I move
- This will be traumatic for my mother who receives dialysis in our home every day
- I am repaying loans to the bank – I don't have any extra cash to move or buy a new property
- Work is so busy at the moment, I don't have time to look for other houses/apartments
- Where will we keep the animals and grow our crops?
- My husband/wife will have to relocate his/her business and will lose customers.

The positives:

- I will finally be able to build a better house for my family
- I have lived here all my life and now I have a chance to try living somewhere new
- Working in agriculture is hard work – I might be able to find some other employment, maybe even get work on the construction of the road
- I want my children to have better opportunities and I want to move where they will have access to better schools
- My husband/wife might have a better chance of getting employment if we move closer to a town
- The land may be of better quality in a new location and we will get more crops.

Any of the above could be someone's story. The possibilities are endless as everyone's personal situation and perspectives are different.

The goal of resettlement planning should be to minimise the negatives and maximise development opportunities.



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Introduction

1.1 Purpose of this document

The European Bank for Reconstruction and Development (EBRD) has developed this *Resettlement Guidance and Good Practice* document with the aim of sharing some of the practical experiences and good practice it has gained to date on resettlement planning and implementation, the lessons learned and some useful tools. It gives examples of potential outcomes, positive and negative, which may be useful when carrying out resettlement and livelihood restoration as a result of land acquisition.

The principles used throughout the document are based on the Bank's Performance Requirement 5 (PR5) of the Environmental and Social Policy (2014), which are described in section 2. This document expands on some of the key concepts that underpin PR5, however it does not aim to clarify all terms and concepts from it, nor to address all possible steps in resettlement planning and implementation or provide details on each step in the process. A list of other available resources which provide detailed resettlement planning guidance is included at the end of this document.

An important thing to bear in mind is that no two resettlement processes are the same. This is because resettlement involves people and while people may have similar desires to have a decent quality of life, they may have different ideas of what that means for them and how it might be achieved. **The most important tool available for addressing the challenges of resettlement is listening to affected people and communities to understand their perspectives.**

This *Resettlement Guidance and Good Practice* document is not intended as a 'how to' manual with ready-made solutions for various challenges that can be applied to any or all future resettlements. Resettlement impacts are very different in nature and scale. It is impossible to identify and prepare an exhaustive list of all difficulties and constraints, as well as solutions. This document addresses only some of the most frequent issues encountered to date in countries where the EBRD invests and provides some solutions that have been implemented.

This document deals mostly, but not exclusively, with situations where resettlement planning and implementation is being carried out in less than ideal circumstances – for example, when not all of the necessary data is available or when time and the client's previous experience with international financial institutions (IFIs) resettlement requirements are limited.

The examples throughout the document are provided only as possible solutions in such circumstances – this does not mean that they are the best or only solutions, or that they are always applicable. The tools provided also serve only as examples and reminders of what kind of issues need to be taken into account, and these tools must be adapted to each project on a case-by-case basis.

1.2 Effects of resettlement

Acquisition of land is often a pre-condition for constructing infrastructure needed for economic development in various sectors, such as transport (construction of roads, railways, airports), power and energy (hydropower plants, transmission lines), oil and gas (pipelines, facilities), mining (mine pits, processing facilities) and urban infrastructure (waste and wastewater facilities).

Necessary though they may be, land acquisition and restrictions on land use which cannot be refused by affected people and communities (**involuntary resettlement**) can have very serious impacts, causing them to physically relocate (**physical displacement**) and very often also disrupting their sources of income and/or livelihoods (**economic displacement**).

Whenever possible, involuntary resettlement should be avoided or at least minimised. If unavoidable, appropriate mitigation measures must be planned and implemented, **always bearing in mind that people's lives will be affected.**



Failing to address resettlement impacts satisfactorily can adversely affect the lives and well-being of individuals and communities who will be displaced. This can be particularly devastating for vulnerable individuals and/or groups.

If resettlement is poorly designed or implemented, it can have negative consequences both for the affected people and communities and for the project. Examples of negative outcomes are provided in Table 1.1.

Table 1.1. Possible impacts of poor resettlement planning

Impact on affected people and communities	Impact on project implementation
<ul style="list-style-type: none"> • Loss of land and access to natural resources • Loss of jobs and sources of livelihoods • Reduced access to markets • Homelessness • Severe impoverishment • Food insecurity • Increased morbidity • Dislocation from social networks • Community unrest and protests • Conflicts, violence and serious security issues 	<ul style="list-style-type: none"> • Failure to acquire and vacate land on time • Significant delays to construction • Increased costs • Diminished prospects of obtaining finance • Exposure to litigation, including in international courts • Reputational harm • Reactions of civil society

Conversely to the above, proactive management of land acquisition and resettlement issues as early as possible in the project cycle can actually provide considerable development opportunities for affected people and lead to better outcomes for displaced and host communities. Improved infrastructure, access to social and health services, employment and new job openings, better and improved education for children and young people, possibilities of attending training for improving employability of the unemployed, access to micro loans and better living conditions are just some of the opportunities a project can bring.

Well-planned and organised land acquisition can enable more efficient securing of land and thereby reduce costs and schedule delays. It can also provide projects/clients¹ with a social “licence to operate” (meaning, gaining the trust of the affected people so the project can proceed) and minimise potential for reputational risks.

The EBRD’s aims and requirements are focused on making the best available use of these possibilities, leading to better outcomes for affected people and projects.

“ Sometimes I get caught up in the technicalities and formalities of resettlement planning, responding to various requests, comments, questions, filling out the forms... but then I stop and put myself in the shoes of the affected people and it brings me back to why resettlement matters and what terrible mistakes can be made if it is not done well. This is the most important thing to worry about and prevent from happening in resettlement.”

Maja, resettlement consultant

1.3 Intended audience

This document is primarily intended for all those involved in resettlement planning and implementation, including project clients, affected people, consultants and other stakeholders.

1.3.1 Project clients

For project clients, this document is intended to present the hardships involuntary resettlement can cause and why it should be avoided or, if unavoidable, how it should be managed. We provide insights into the planning process, the scope and type of information needed and the steps which should be followed so that clients can prepare a realistic and efficient plan for land acquisition and secure the human and financial resources needed to implement it.

1.3.2 Affected people

Affected people will benefit from guidance in this document that explains the resettlement and livelihood restoration process. We hope that readers who are affected by the process will be better armed with the right questions to ask and more able to anticipate issues that may arise. It is also important that affected people recognise the importance of their participation in the consultation process.

1.3.3 Consultants

The use of experienced consultants is often necessary. Their task is to support project clients in this process and therefore this document can be a useful reminder of the difficulties and constraints commonly encountered during resettlement planning and implementation, and possible ways to overcome them.

1.3.4 Stakeholders

Stakeholders such as government institutions and departments may also benefit from reading this document. Their role is extremely important because some of them will be directly involved in resettlement by implementing official land acquisition procedures and/or providing services and assistance to PAPs (institutions and organisations for education, health, centres for social welfare, employment services, and so on). Civil society organisations can also contribute and have a monitoring and corrective role. It is very important for these bodies to be aware of the difficulties which are often encountered during resettlement planning and implementation to enable them to play a constructive role in the process.

This document may also be useful for social specialists in lending institutions reviewing and guiding resettlement/livelihood restoration planning and implementation, as well as non-social staff interested in the principles, requirements, process and challenges of resettlement.



Approach resettlement in a practical manner, use common sense and think ‘outside the box’.

¹ The word “client” is used throughout the document to signify the EBRD’s client who is the project owner/sponsor. It can also be interpreted as meaning “project developer”. See section 3.1 for further information on the client’s role and responsibilities.

1.4 How to use this document

This document consists of two main components:

1. Part A – Overarching document (this section)
2. Part B – Good practice notes (GPNs).

This document also contains a number of useful annexes, including a glossary of terms and tools, as well as other resources for resettlement planning and implementation. There are also examples of a socio-economic survey form and a legal gap analysis template available online at ebrd.com.

1.4.1 Part A

The overarching document provides a brief overview of why resettlement matters, what can happen when it goes wrong and the benefits and importance of getting it right. It gives information on the key PR5 requirements and discusses the resettlement process in the project context.

The topics covered include the following:

- Resettlement planning process
- Roles and responsibilities
- Specific issues and potential challenges.

1.4.2 Part B

The good practice notes (GPNs) individually address common resettlement planning and implementation topics and the key challenges associated with each of them, providing practical guidance on how they can be addressed or avoided, supported by examples and references to other relevant topics.

This document can be read as a whole, particularly for those who have not had much previous experience with PR5 or similar requirements. It can also be used as a reference tool, as individual GPNs and specific challenges can be referred to as and when needed.

The following topics are addressed in the GPNs:

- Legislative review
- Census
- Socio-economic survey
- Asset inventory and valuation
- Eligibility
- Stakeholder engagement
- Entitlement measures
- Livelihood restoration
- Resettlement and livelihood restoration documentation.



Resettlement planning and implementation process

2.1 Key principles and terms

The implementation of infrastructure and other projects typically requires land to be acquired for project facilities, roads, transmission lines, pipelines, offices, worker accommodation, and so on. The amount of land and assets which need to be acquired and the number of people who will be affected will vary from project to project. In some countries, for example, acquiring 50 hectares of land might only have an impact on a few households while in another country the same size plot might be owned and used by several hundred people.

2.1.1 Minimising the need for resettlement

Physical and/or economic displacement may have considerable impacts, some of which may be related to human rights. Not adequately addressing these risks may also increase project costs. Therefore, every effort should be made to avoid the need to resettle people and communities. If it is not considered early on and planned well, costs, time and the need for management attention are often underestimated.

2.1.2 Physical and economic displacement

People may be affected by land acquisition or restrictions on land use in two ways. They may lose housing, requiring them to move to another location, which is referred to as physical displacement. They may also permanently or temporarily lose land and assets or access to land and assets, leading to a disruption of their livelihoods and loss of income, which is referred to as economic displacement. Both impacts must be mitigated in accordance with PR5. The process of relocating people, households and communities from one location to another and/or assisting them to replace their lost livelihoods is referred to as resettlement.

2.1.3 Performance Requirement 5

Most countries have specific laws to regulate land acquisition in the public interest, which is called the expropriation procedure. A situation in which these laws are applied (or could be applied in the future) when people do not have the possibility of refusing to sell their land/assets is referred to as involuntary resettlement.

The EBRD's Performance Requirement 5 (PR5) promotes a systematic approach to land acquisition, compensation and resettlement based on consultation and disclosure of information.

In summary, the key requirements of PR5 are for project clients to:

- Consider alternative project designs to avoid or, if not possible, minimise project-induced physical and/or economic displacement
- Develop appropriate compensation, resettlement and livelihood restoration action plans where displacement is unavoidable
- Mitigate adverse impacts from land acquisition or restrictions on affected persons' use of and access to land, physical

assets or natural resources by providing compensation for loss of assets at replacement cost, prior to taking possession of acquired assets

- Ensure that compensation, resettlement and livelihood restoration activities are planned and implemented with appropriate disclosure of information, consultation, and the informed participation of those affected
- Improve or, at a minimum, restore the livelihoods, income-earning capacity and standards of living of displaced persons, including those who have no legally recognisable rights or claims to the land (who were present in the project affected area at the time of the cut-off date), to pre-project levels and support them during the transition period
- Make special provisions for assisting disadvantaged or vulnerable individuals or groups (who were present in the project affected area at the time of the cut-off date) that may be more adversely affected by displacement than others and who may be limited in their ability to take advantage of livelihood assistance and related development benefits
- Establish a grievance mechanism to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons, including a recourse mechanism designed to resolve disputes in an impartial manner.



A well-organised, practical, just, participatory and context-specific resettlement process can help to achieve the best possible results, reduce risks and negative impacts to the greatest extent possible and make the best use of opportunities.

The full text of the EBRD's 2014 Environmental and Social Policy and Performance Requirements are available at:

www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html

Ideally, the Bank will be involved in a project from the beginning and in advance of any resettlement impacts. However, this is not always the case. When land acquisition for a project has been completed prior to the EBRD's involvement, the client will have to meet PR5 requirements retrospectively, regardless of who was responsible for the expropriation process. For example, if the government carried out land acquisition for the benefit of private sector projects, any gaps in the achievement of aims and objectives of PR5 will have to be satisfactorily addressed by the client before approval of the loan.

To identify the gaps, the Bank will usually require a review of the historic land acquisition process and compare it to PR5. The client is expected to participate in this process and provide access to all required documents, persons who participated

in land acquisition and any other information the consultants require to complete this task. Based on the outcomes of these activities, an action plan to fulfil gaps is prepared and agreed by the EBRD and the client.

The greatest risk associated with this situation is that people/households/businesses who have been resettled without following PR5 requirements may have already suffered hardship and/or have significantly worsened livelihoods and standards of living. Bringing their livelihoods and standards of living to pre-displacement levels and further improving them usually requires much more resources and time than if PR5 requirements are applied upfront.

2.2 Overall project lifecycle and resettlement

2.2.1 Resettlement planning and impact assessment

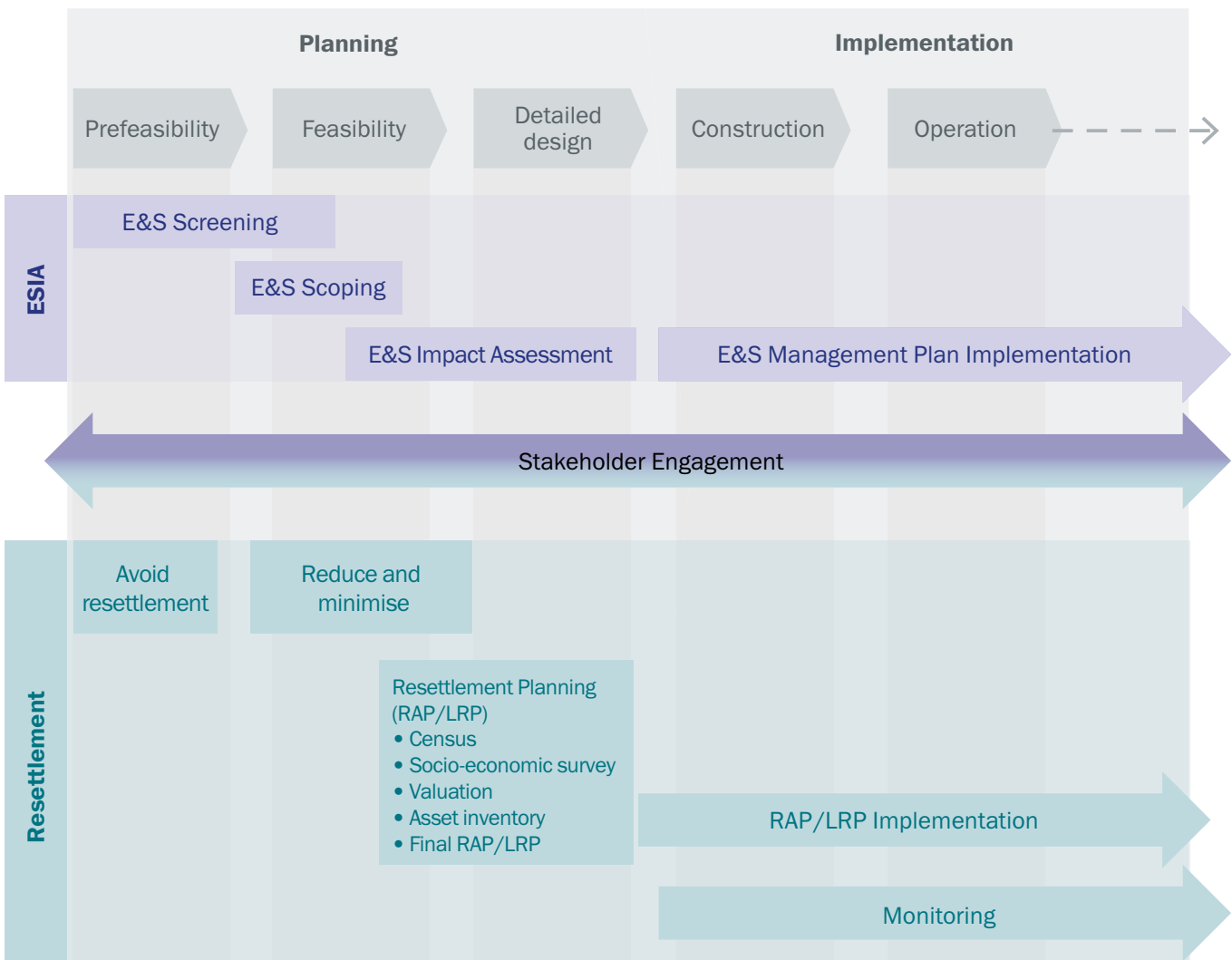
Resettlement planning is ideally carried out alongside environmental and social impact assessments, contributing to this process and drawing on the results. As the work is usually

completed in the same areas and communities and with involvement of some of the same stakeholders, coordination of activities can be beneficial despite the challenges. Resettlement plans must be well-aligned with other project plans, particularly environmental and social management plans, construction management plans, stakeholder engagement plans and so on.

Figure 2.1 provides an overview of the relationship between project phases, ESIA phases and the resettlement planning and implementation process – namely prefeasibility, feasibility, project design, construction and operation. This order of the steps represents an ideal scenario but this may not be appropriate or possible for all projects. Very often, due to time constraints or other factors, some steps overlap and are undertaken simultaneously.

A summary of key resettlement issues and activities in each project phase is provided at the end of this section (see Table 2.1).

Figure 2.1. Resettlement process in relation to project stages and ESIA process



2.3 Project stages

2.3.1 Prefeasibility stage

Land acquisition needs to be considered early in the project planning as the costs associated with it can significantly influence the overall project budget. In this phase, potential land acquisition needs, including potential costs, should be estimated.

The aim is to **avoid physical and/or economic displacement** to the greatest extent possible. However, it is important to note that resettlement should not be avoided if it compromises the health, safety and well-being of affected people. For example, where a community is not physically affected but would be economically affected to such an extent that their viability is jeopardised, resettlement may be a better long term solution. Similarly, where a community is affected only partially, attention needs to be paid to the potential loss of social networks and generally social impacts of splitting up the community.

Most of the work in this phase will be based on **desktop reviews of available documents** (for example, reviews of maps and/or Google Earth, cadastral maps, previous studies or local socio-economic data). If a site visit is possible, it should be undertaken so as to better understand the general characteristics of the area and to understand possible impacts, their complexity and scale. For example, a visit to the project area may reveal an informal settlement located on the proposed project location, the presence of vulnerable groups or the use of natural resources as a means of livelihood.

A particularly important aspect of reviewing available information is **determining which national regulatory requirements and land acquisition processes apply**. Understanding the role of national authorities and their activities will enable the client to consider whether a special agreement or some other arrangement will need to be made with national authorities for the application of PR5. It will also help in estimating the time which will be needed to acquire land so as to be ready for construction.

Engagement with stakeholders in this phase is usually limited, as there are not enough details for sharing with the public. Some meetings with local authorities may be beneficial, particularly as they will usually already be involved in other project planning activities. The focus of such meetings is likely to be the potential for avoidance and/or minimisation of impacts.

All the collected information has to be brought to the attention of the project manager, project designers and engineers, finance managers and legal teams. Since land acquisition and physical/economic displacement of people and communities can have serious effects on the project budget and schedule, there needs to be early consideration of project alternatives to avoid these impacts.

2.3.2 Feasibility stage

As project development progresses, land acquisition needs will become more certain. In this phase, if displacement has not been avoided altogether, there may still be room for **minimising land take and impacts**. Location and design alternatives should still be refined where possible – for example, by moving a facility away from a settlement, micro alignments of roads to avoid houses, or the use of public or unfarmed land for temporary project facilities.

Case study

On a water and wastewater project in Croatia, one wastewater pipe running below the town's walking path along the river had to be renovated. This work had to be done during summer months when the river was at its lowest level; however, it was also the most profitable time of year for the many cafes and restaurants located along the path. Closing it during construction would have a significant impact on the businesses for a whole season, leading to economic displacement. To minimise these impacts, the client adapted their construction technique and undertook the repairs from the water, thus allowing the walking path to remain in use.

Resettlement specialists should be engaged at this time if they have not been already, particularly on projects where complex resettlement is anticipated.

Much of the work in this phase will also be done through document review with some initial stakeholder engagement, primarily with authorities and local organisations. Communication with directly affected people will still be limited, as the relevant decisions in relation to land acquisition will not have been made yet. However, where relevant, opportunities to seek views of stakeholders should be pursued.

Resettlement specialists will study the proposed project footprint, determine the likely scope of physical/economic displacement and start collecting and analysing secondary data on the socio-economic characteristics of affected people/households and communities. If there is a need for physical displacement of whole communities, or parts of communities, and if resettlement will be organised by the client, **possible resettlement locations** can be identified or assessed, including any potential impacts on host communities.

It will be important to establish a **project grievance mechanism** in this phase so that, once information can be shared, any concerns or issues can be addressed as early as possible. Gossip and misinformation may also occur in local communities and increase anxiety levels. It is important to avoid and/or limit this, so ensure there is clear communication about which decisions are still pending.

2.3.3 Detailed design stage (finalising resettlement planning)

During the project detailed design phase, the land acquisition requirements become even more certain and thus detailed resettlement planning can commence. At this time a complete **project description** is needed from project designers, including a description of alternatives which have been considered in previous project phases.

Recording any measures that have been taken to avoid and reduce resettlement impacts during planning is important for demonstrating that the objective of PR5 has been properly considered. If there are still any uncertainties or project components subject to change, they need to be highlighted in the resettlement/livelihood restoration document.

If resettlement planning has not already commenced by the time the project design is close to being finalised, any opportunities to avoid and minimise resettlement and reduce its costs will be lost.

Case study

On a road project in FYR Macedonia, local communities were not fully consulted on the design and location of the road. Designs were prepared without taking into consideration that access to some houses would be completely impossible and that livelihoods would be affected through significantly reduced access to agriculture land and pastures. When local communities brought these issues to the designers' attention, changes in the design were made (construction of underpasses, overpasses and access roads) increasing initially estimated construction costs. This could have been avoided if communities were engaged in the process at an early planning stage.

A number of technical components will take place during this phase. If not already completed, a detailed review of available project information (including an ESIA and resettlement legislative review) and the overall country/community context should be undertaken. This can inform decisions on how the national/local authority process can be coordinated with PR5 related activities.

Appropriate tools for the census and socio-economic survey need to be developed and implemented (see GPN 2 and GPN 4 respectively) as does the asset inventory (see GPN 4). To save time and resources, as well as reduce stakeholder fatigue, it may be possible to organise these activities in parallel, taking care not to impact the quality of the process. It may also be necessary to select resettlement sites, based on the needs and preferences of affected people, from the sites that have been identified as potentially suitable in previous project phases.

The results of survey activities will be used for determining eligibility for compensation and/or assistance (see GPN 5) and developing the entitlements matrix (see GPN 7), which will be the heart of the resettlement/livelihood framework and/or plan. Together with defining the entitlements matrix, resettlement planners should define how replacement value, as required by the EBRD, will be calculated and the compensation mechanisms to be used. Resettlement planners will also prepare a more detailed budget and timeline, as well as the monitoring and evaluation plan.

During the planning phase, regular site visits to the project area, including stakeholder engagement activities (see GPN 6), need to be undertaken by those planning resettlement. Affected people/households/communities and other stakeholders should be consulted on eligibility, the proposed mitigation measures and the implementation of the process. Stakeholders should be provided with opportunities to provide feedback, which should be used to prepare the final plans. Once the plans have been finalised, implementation will begin.

By this stage of a project, the resettlement plan/livelihood restoration plan should be finalised, disclosed and agreed with stakeholders. Client resources and budget for implementation should also be in place.

2.3.4 Construction and operation stage (implementation)

Implementation of the resettlement/livelihood restoration plan starts before the land is acquired. This should ideally be initiated towards the end of the project design phase and continue through the construction phase. For some projects, implementation may stretch beyond construction into the operation phase.



Resettlement is a process and it may be necessary to adjust the plan as it is being implemented.

For large or complex projects, it may be necessary to form a resettlement implementation team or committee, consisting of a range of stakeholders – such as representatives of local authorities or affected communities; departments for social care, education, health and employment; construction contractors; and NGOs – to perform various tasks and monitor implementation. The resettlement manager and team should ensure regular internal reporting so the client's senior management is well informed about the land acquisition and resettlement progress, while reports should also be submitted to the EBRD as per the schedule agreed and documented in the resettlement action plan (RAP)/livelihood restoration plan (LRP).

Incorporating resettlement-related issues into overall project management reporting, both internal and external, can help ensure that it is seen as a part of the project and aligned with all other project activities. To be able to prepare reports, data has to be well-managed and updated, particularly data on individually affected persons and households, affected land, assets, grievances and so on.

Monitoring and evaluation of the resettlement/livelihood restoration plan is carried out during implementation in order to track progress, identify problems and make changes where necessary. Major changes need to be communicated and agreed with stakeholders, particularly affected people and the EBRD (and/or other lenders).

Monitoring is most often divided into three components.

- **Input monitoring** (progress monitoring) – to measure whether the activities (goods and services) have been delivered as specified in the RAP/LRP. This is regularly carried out internally, by the client, usually on a weekly and monthly basis.
- **Output monitoring** (performance monitoring) – to measure the results of the inputs that have been delivered, such as the number of people/households that have been resettled, received replacement land or assets, cash compensation, livelihood restoration training, and so on. This is also regularly carried out by the client, usually on a monthly and quarterly basis.
- **Outcome evaluation** (impact evaluation) – to measure whether the delivery of inputs and the achievement of outputs are contributing to the successful accomplishment of objectives which have been set for RAP/LRP implementation.

Alternatively, an outcome evaluation can determine if certain changes need to be introduced and if so which ones. An example is whether the delivery of compensation and livelihood restoration assistance (for example, training) has enabled people to re-establish their sources of livelihood (business or employment) and their level of income. It is particularly important to determine whether their standard of living has been restored or improved in comparison to what it was prior to displacement. Outcome evaluation is often outsourced to independent teams and is typically carried out biannually during implementation of a RAP/LRP and following that, annually for a reasonable period of time, as agreed with the EBRD and documented in the RAP/LRP.

An overview of example indicators for each of the above components is provided in Annex 4.

When all activities from the plan have been completed, an external resettlement **completion audit** is sometimes commissioned by the client to determine if provisions of the RAP/LRP have been met and if any corrective measures are needed. Once corrective measures have been implemented to the satisfaction of the EBRD, resettlement is considered complete.

Table 2.1. Typical tasks and issues in resettlement in each project phase

	Prefeasibility stage	Feasibility stage	Detailed design stage	Construction and operation stage
Key aims and tasks	<ul style="list-style-type: none"> • Avoidance of resettlement • If unavoidable, early estimate of preliminary budget and schedule for potential land acquisition and resettlement for each project alternative in order to aid decision-making 	<ul style="list-style-type: none"> • Minimising resettlement • Preparation of initial budget and schedule for land acquisition and resettlement • Securing budget for land acquisition and resettlement planning 	<ul style="list-style-type: none"> • Resettlement planning (and for some projects the beginning of implementation) • Determining the detailed budget and timeline for land acquisition and resettlement • Securing budget for land acquisition and resettlement implementation 	<ul style="list-style-type: none"> • Resettlement implementation, monitoring and evaluation • Tracking spending and ensuring land is secured in time for construction
Institutional set-up	<ul style="list-style-type: none"> • Cooperation of persons in charge of land acquisition (resettlement manager) with the project team 	<ul style="list-style-type: none"> • Integration of resettlement manager into the project team • Engagement of an experienced resettlement consultant 	<ul style="list-style-type: none"> • Planning led by client's resettlement manager, supported by resettlement specialist(s) • Involvement of service providers, tasked with delivering individual activities/entitlements, in the resettlement planning process 	<ul style="list-style-type: none"> • Establishing a resettlement team or committee to coordinate execution of RAP/ LRP • Continued cooperation with the project manager and the rest of the team, including the construction contractor

	Prefeasibility stage	Feasibility stage	Detailed design stage	Construction and operation stage
Relationship with national legislation and process	<ul style="list-style-type: none"> Determining national regulatory requirements and land acquisition process are likely to be applied 	<ul style="list-style-type: none"> Legislative review to determine the extent of gaps with PR5 Identification of key government institutions involved in land acquisition and resettlement and their roles in the land acquisition process 	<ul style="list-style-type: none"> Identification of laws other than those pertaining strictly to land acquisition which could assist in providing a legal basis for implementation of resettlement/livelihood restoration assistance Identification of possibilities for aligning legal process for land acquisition and PR5 to avoid duplication of efforts and stakeholder fatigue Coordinated implementation of activities identified above 	<ul style="list-style-type: none"> Continued coordinated implementation of activities required under national legislation and PR5
Stakeholder engagement	<ul style="list-style-type: none"> Usually limited to meetings with authorities Start stakeholder identification and clarifying the best ways to communicate with people Identify any groups that are particularly vulnerable who may be affected by the project Draft the stakeholder engagement plan – to be refined with input from stakeholders in next stage 	<ul style="list-style-type: none"> Engagement with authorities, and possibly community representatives, key informants, local organisations, and so on Establishment of a grievance mechanism which will be functional throughout resettlement planning and implementation communicate grievance mechanism to stakeholders Discuss and refine stakeholder engagement plan with stakeholders 	<ul style="list-style-type: none"> Intense engagement with all stakeholders, particularly affected people and host communities to consult on mitigation measures Intense engagement with all other stakeholders to prepare RAPs/ LRPs, define roles and responsibilities Manage grievances 	<ul style="list-style-type: none"> Direct communication with affected people to execute compensation and assistance measures Regular meetings with other stakeholders Manage grievances
Site visits	<ul style="list-style-type: none"> Site visit to the project area and potential project locations 	<ul style="list-style-type: none"> Site visit to the proposed project footprint Site visit to potential resettlement locations 	<ul style="list-style-type: none"> Numerous site visits to all project and resettlement locations 	<ul style="list-style-type: none"> Regular site visits to the project area, including resettlement locations (if applicable) to monitor land acquisition process and implementation of resettlement
ESIA links	<ul style="list-style-type: none"> Inclusion of land acquisition related issues into the environmental and social (E&S) screening process and report 	<ul style="list-style-type: none"> Inclusion of land acquisition related issues into the E&S screening and scoping process and report 	<ul style="list-style-type: none"> Coordination between ESIA and RAP/LRP survey planning and implementation Inclusion of land acquisition related impacts into the E&S impact assessment process and report, and the stakeholder engagement plan 	<ul style="list-style-type: none"> Coordination of implementation of RAP/ LRP and environmental and social management plan, stakeholder engagement plan and construction management plan
Reporting and disclosure	<ul style="list-style-type: none"> Internal reporting 	<ul style="list-style-type: none"> Internal reporting Share draft stakeholder engagement plan and formally disclose grievance process 	<ul style="list-style-type: none"> Disclose RAP/LRP, including entitlement measures; stakeholder engagement plan Report on grievances 	<ul style="list-style-type: none"> Regular monitoring reports Update on activities and any changes Report on grievances

Roles and responsibilities in resettlement

The primary responsibility for resettlement and livelihood restoration rests with the EBRD's client. It can either be a public entity (such as central government, municipality, city, public agency or institution) or a private company.

3.1 EBRD clients

3.1.1 Public sector client

When the client is a public entity, responsibility for land acquisition/resettlement planning and implementation typically sits with another public department or entity. For example, the client could be a specialised agency (such as for roads or electricity) with no mandate for resettlement. In this case, it would be carried out by another public agency or department such as property issues, expropriation and social issues.

It could also happen that the legal borrower is a national level agency while resettlement falls to local authorities such as municipalities and counties. Regardless of the institutional setup, the legal borrower will have ultimate responsibility for ensuring compliance with PR5.

It is therefore critical to ensure there is very good coordination and cooperation between the client and agencies or departments in charge of resettlement. At least one representative of the client should be delegated the responsibility of following resettlement and providing support from senior government officials when necessary to enable the resettlement agencies/departments to comply with PR5. As land acquisition and resettlement could stretch over a longer period of time, it is always helpful if civil servants are assigned to perform resettlement-related tasks so that any change of government would not disrupt the continuity of the process.

3.1.2 Private sector client

Like a public sector client, a private sector client has to identify gaps between what the government requires or is implementing and PR5 and define ways for overcoming them. To reach the desired outcomes, the client will often have to provide affected people with additional compensation, which may be community based or in kind, and provide assistance to affected people directly, such as employment opportunities. For some projects, it may be possible for the client to enhance the capacity of government service providers for providing assistance, or government departments for completing administrative procedures, by providing human resources, financial resources or training as appropriate.

For private sector projects or PPP projects, government involvement in the declaration of "public interest", expropriation and sometimes the activity of land acquisition, is referred to as government-led resettlement. The government could also have to provide certain services to affected people which cannot be provided by anyone else under national law, such as provision of personal documents or social welfare, or carry out certain administrative procedures, for example facilitate resolution of ownership issues from property registers.

There are a number of possible models for dividing resettlement delivery responsibilities between the government and a private sector client, but this needs to be assessed on a case-by-case basis. In situations where a private sector project client is dependent on the public sector in any way for land acquisition and resettlement, the client will still have full responsibility in the eyes of the EBRD and will bear the consequences if resettlement is not carried out appropriately.



In order to achieve the desired outcomes in resettlement, roles and responsibilities of all those involved have to be defined and clear. If one entity fails to perform, the whole process and outcomes can be jeopardised.

3.2 Involvement of resettlement experts

Engagement of resettlement specialists can be beneficial to ensure potential risks are screened and considered. Resettlement specialists are very often external consultants who either report to or advise the client's internal resettlement manager. Alternatively, they may assume this role on behalf of the client and usually report to senior management.

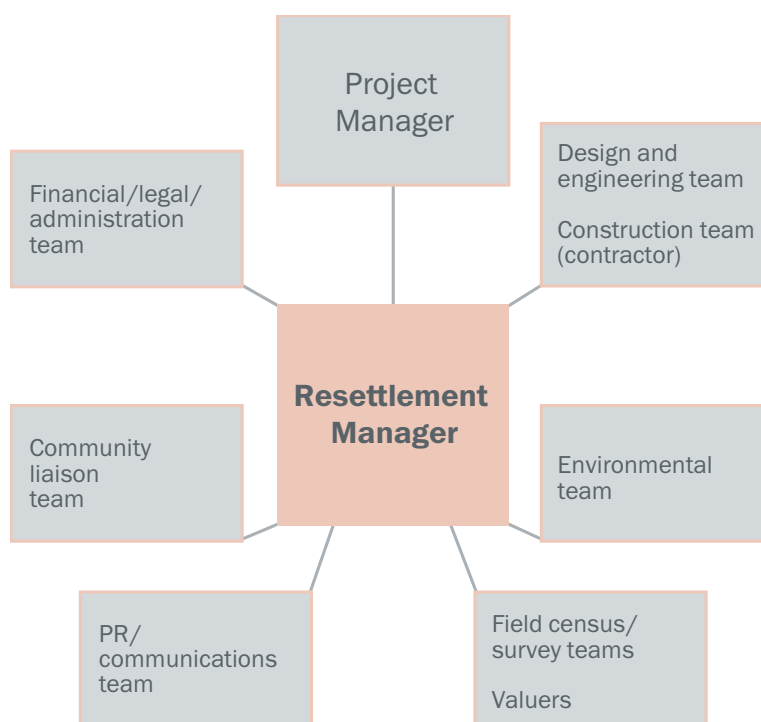
Regardless of the institutional setup, the use of experienced resettlement specialists is particularly important for clients who have not had previous or significant experience with PR5 or similar requirements of other international financial institutions. Experienced resettlement specialists will be able to clarify PR5 requirements and help the team understand how they apply to their particular projects. The EBRD's (and/or other lenders) presence and support in this process can also be beneficial.

Resettlement planning and management requires a high level of coordination. If the resettlement is unavoidable, it should be integrated early into the overall project planning process to secure the necessary resources and avoid project delays by securing land in a timely manner.

During the course of planning and implementation, the person(s) in charge of resettlement (resettlement manager) must cooperate closely with others, particularly the project manager and those in charge of project design, legal and financial issues, data management, public relations and environment, as well as those carrying out resettlement related tasks. Figure 3.1 provides an overview of possible teams/departments that a resettlement manager typically communicates and works with. Ideally, cooperation with project management will begin during the prefeasibility stage through a discussion of project alternatives and become more involved as planning progresses, continuing through implementation.

Once the need for land acquisition has been confirmed, the resettlement manager should be fully incorporated into the project team and participate in all key project meetings to ensure that land acquisition and resettlement are considered by all those involved, thereby eliminating the risk of project delays, project cost increases and dissatisfaction of the affected people/communities.

Figure 3.1. Links between the resettlement manager and other team members



3.3 Other participants

There are a number of other participants in the resettlement process. These groups are closely affected or involved but are not primarily responsible for implementing PR5. The main participants, their general roles and responsibilities are presented in Table 3.1.

Table 3.1. Roles and responsibilities in resettlement

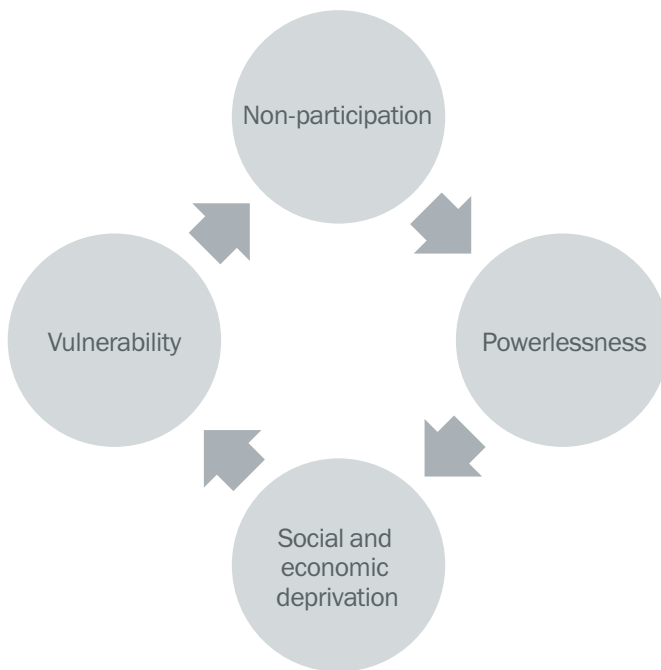
Entity	Roles and responsibilities
Affected people	<ul style="list-style-type: none"> Active participation in consultation activities and communicating with the client – that is, through the grievance mechanism, public meetings and so on – to provide feedback on the solutions that are being proposed to them Selection of representatives (where necessary) who can engage more actively in communication with the client and consultants An active approach towards opportunities being offered through the resettlement/livelihood restoration programme such as training, employment, access to personal documents and so on
Service providers (Private and public)	<ul style="list-style-type: none"> Provision of services to affected people (such as legal aid, mediators in the grievance mechanism, adult education, implementation of surveys, employment and so on) as part of resettlement plan implementation
Civil society	<ul style="list-style-type: none"> External monitoring and corrective role Provision of services (legal aid, mediation, adult education, implementation of surveys and so on) to affected people as part of the resettlement plan implementation
The EBRD	<ul style="list-style-type: none"> Provision of guidance and support to its clients and projects Review of resettlement/livelihood restoration documentation and approval of plans Support the consultant in negotiating and explaining requirements to the client or relevant authorities Monitoring of projects' compliance with PR5 When necessary, provision of technical assistance to clients, to help with the planning of resettlement and in some cases to assist with implementation

Specific issues and potential challenges

4.1 Impact of vulnerability on resettlement outcomes

Experience shows that poor and socially-excluded men and women are more susceptible to the challenges of resettlement and are less able to restore their living standards and livelihoods than the average population living with adequate livelihoods and assets. This social vulnerability may affect certain groups of the population such as people living with disabilities; ethnic minorities; lesbian, gay and transgender groups; the elderly; and so on.

Figure 4.1. Link between vulnerability and economic deprivation



Source: Report on the World Social Situation (2003), United Nations, Department of Economic and Social Affairs.

PR5 Performance Requirement 5 (PR5) states “For the purpose of this Policy, vulnerable groups refers to people who, by virtue of gender identity, ethnicity, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. Vulnerable individuals and/or groups may also include people living below the poverty line, the landless, the elderly, women and children-headed households, refugees, internally displaced people, ethnic minorities, natural resource dependent communities or other displaced persons who may not be protected by national and/or international law.”

4.1.1 Types of vulnerability

Each project will be implemented in a unique context and thus the nature and extent of any vulnerability will also differ. PR5 requires that special assistance is provided to allow vulnerable individuals and groups to participate in resettlement planning meaningfully and to benefit from development opportunities. The following table provides examples of the cause of vulnerability and the groups of people that may be affected, though it is important to note that there are often multiple causes of vulnerability.


Table 4.1. Examples of potentially vulnerable or at-risk groups

Cause of vulnerability	Examples
Those less able to care for themselves	<ul style="list-style-type: none"> • Children of both sexes • Elderly men and women • People living with disabilities (physical and/or mental) • People suffering from debilitating illnesses (physical and/or mental) • Illiterate men and women • Men and women of a lower educational status
Legal status	<ul style="list-style-type: none"> • Informal occupants of land (“squatters”) • Persons without ownership or use rights • Unlicensed street/pavement vendors • IDPs and refugees • Other groups not protected by national laws
Socio-economic status	<ul style="list-style-type: none"> • People below the poverty line • Single parent and child-headed households
Natural resource dependent communities	<ul style="list-style-type: none"> • Common property land users • Nomadic/transhumant communities • Traditional fishermen • Users of forest and woodland (such as hunters, timber cutters and firewood gatherers; those reliant on non-timber forest products such as herb collection, mushroom or berry picking; and so on)
Ethnic or social group	<ul style="list-style-type: none"> • Indigenous people • Ethnic minorities • Religion or faith-based groups or communities
Gender	<ul style="list-style-type: none"> • Women (in some circumstances)

Source: Adapted from T. Salam, unpublished paper for the EBRD.

4.1.2 Identification of vulnerable groups or individuals

The identification of vulnerable people/groups during planning is sometimes a challenge, as not all vulnerabilities will be visible or relevant in the context of resettlement or the specific project. Some individuals, communities or groups may belong to populations which are generally defined as vulnerable or potentially vulnerable. This does not necessarily influence their ability to participate in resettlement planning and/or derive benefits from resettlement. For example, if someone is of Roma ethnicity that does not necessarily mean that he/she is more vulnerable than others. A Roma person who is well-educated, employed, of a good socio-economic status and well-integrated into society can be in a much better position in cases of resettlement than a non-Roma who is poorly educated, unemployed and on social welfare. In addition, within a group or community, certain persons may face additional inequalities (such as women, children, the elderly or people living with a disability).

 **Consider and assess vulnerability in the specific context of the resettlement and the wider environment. Vulnerability should not be generalised.**

Stakeholder meetings (see GPN 6) and surveys (see GPN 3) should be used to assess the context so as to:

- Understand vulnerability among affected people and how resettlement could impact on their lives
- Identify vulnerable individuals, groups and/or communities
- Design assistance measures to involve them in resettlement planning and benefit from development opportunities.

Case study

During the socio-economic survey for a road project, it was determined that one elderly illiterate woman, without living relatives and living alone, had to be resettled. Although compensation was paid at full replacement cost, she did not have the capacity to find another house, replace her other affected assets and organise the relocation of her household items and furniture. Recognising the vulnerability of this affected person, the client assisted her by finding a replacement house (consulting with her on her preferences along the way and organising visits to potential houses), organising all administrative procedures for registering her new property and changing her official place of residence (on her ID card) so that she could continue receiving her pension, buying replacement assets and organising transport for her and all of her belongings to the new house.

Table 4.2 provides a brief description of the common challenges associated with identifying and addressing the issues related to various types of vulnerable groups.

4.2 Gender and resettlement

Depending on the area and context of project implementation, resettlement impacts can sometimes be experienced very differently by men and women. In some communities, women may not have the same access to information, the ability or right to participate in decision-making processes or even access to ownership rights over land and properties, making them more vulnerable than men.

Gender differences in terms of impact, perceptions and concerns must be considered at all stages of resettlement planning and implementation, but these will depend on and vary according to the specific context and culture.

Examples of good practice to consider for addressing gender impacts during resettlement planning and implementation include the following:

- Ensure the respective needs of men and women are assessed in the legal review (see GPN 1)
- Engage gender specialists to assist in resettlement planning and implementation if necessary
- Ensure women are members of the resettlement planning and implementation team
- Consider the practical and strategic needs of both men and women during the consultation process. If favoured by stakeholders, organise separate consultations to assess whether views of men and women in relation to resettlement and their proposed mitigation measures are different. Be sure to enable equal participation of women by providing childcare or organising the meeting at a convenient time of day
- In communities where women are not usually consulted or used to sharing their views, they may need additional capacity building to be able to fully participate in a stakeholder engagement process. This may include more time for consultation, use of female facilitators, or providing training to participants on feedback mechanisms
- Define which members of a household should participate in the census (see GPN 2). This is usually the head of the household as defined by local practice and in many communities it is often a man. The gender implications of this approach may mean women are excluded from the process so other methods of ensuring their participation may be necessary, as outlined above
- Provide equitable access for men and women to compensation and livelihood restoration opportunities (see GPN 8) and other project benefits
- Place special attention on guaranteeing women's assets, property and land-use rights, particularly in communities where traditional ownership is dominant and where no formal land data is available. Some solutions to consider are making arrangements for joint control (husband and wife) over compensation or if a replacement property is being provided, put the title in joint names

- Women are not a homogenous group. Make sure consultation activities are designed to reach the different groups in the community to ensure the needs of all women are included.

In addition to addressing disproportionate impacts of resettlement on men and women, the objective of the EBRD's Strategy to Promote Gender Equality (available at www.ebrd.com/gender-strategy.html) is to increase women's economic empowerment and equality of opportunities. This may also be helpful to use when identifying ways to restore livelihoods.

Table 4.2. Common resettlement challenges involving vulnerable people/groups

Issue	Description and consequences	Prevention measures
Vulnerable people often have less sense of responsibility for their own well-being.	Vulnerable people may not choose the best available options (see GPN 7.3.3) nor actively participate in opportunities presented to them because they are used to living from day to day, without putting much thought into their future.	<ul style="list-style-type: none"> • Be open to the fact that men and women from various social groups may have different views and priorities. • Allow for more time and patience to engage meaningfully with some people. • Be prepared to discuss issues on more than one occasion to ensure you have been understood. • Identify and focus on topics that affected people are interested in. • Engage with various community groups on different topics where necessary. • Identify leaders or respected individuals within a community and work with them to motivate people to engage and participate in project opportunities.
Creating dependency of vulnerable people on the client.	Providing affected people with resettlement and/or livelihood restoration assistance, particularly those who are vulnerable, can lead to creating dependency on those providing the assistance. As a result, the vulnerable people do not take responsibility for their own lives and expect everything to be taken care of for them.	<ul style="list-style-type: none"> • Focus all assistance activities on achieving desired resettlement/ livelihood restoration outcomes. • Clearly communicate with affected people about what the client can and will do to assist but also where they have responsibilities they have to fulfil on their own. • Sign statements or contracts with affected people, specifying their entitlements and obligations, even when these contracts do not necessarily have any legal value.

Case study

Households living in an informal (squatter) settlement in houses built from scrap materials constructed on public land had to be resettled. No compensation could be paid to the affected households as they did not own the land and their houses had no material value. However, recognising their severe vulnerability (homelessness), the client organised resettlement of the households to newly-built social apartments which were constructed in consultation with the affected people (they chose the option of having fire stoves in the apartments over electrical appliances). The households did not receive ownership of the apartments but signed five-year rental agreements (for a nominal rent amount), with possibility of renewal if their socio-economic status did not improve, giving them security of tenure and protection from future

eviction. The households were also assisted through livelihood restoration measures (employment in public communal enterprises, vocational training, adult education, opportunities for business start-up grants and loans). All members received new ID cards with a permanent residential address, all children were enrolled into new schools and received free school materials, and all members received health cards enabling them to access healthcare. Furthermore, households that were even more vulnerable (single-headed households, households living below the poverty line, multi-member households, particularly those with many children or an elderly or chronically ill family member) became beneficiaries of social welfare assistance programmes provided under national legislation, such as cash assistance, child allowance, disability payments, public kitchen programmes and so on.

Part B: Good practice notes

The following section contains the good practice notes (GPNs). These are designed to address common resettlement planning and implementation topics and the key challenges associated with each of them, providing practical guidance on how they can be addressed or avoided.

While they are designed to be read as stand-alone chapters, the nature of resettlement and livelihood restoration planning means that there is a strong inter-relationship between issues and activities. Cross references are therefore provided to related guidance notes or issues.

The following topics are addressed in the guidance notes:

1. Legislative review
2. Census
3. Socio-economic survey
4. Asset inventory and valuation
5. Eligibility
6. Stakeholder engagement
7. Entitlement measures
8. Livelihood restoration
9. Resettlement and livelihood restoration documentation.



1 Legislative review

1.1 What is a legislative review?

Understanding the legal framework for land acquisition is essential in developing plans for resettlement and livelihood restoration.

It primarily consists of identifying all applicable national laws, regulations, decrees, government decisions and similar containing provisions related to land acquisition, resettlement and livelihood restoration. These should then be compared with the EBRD's PR5 requirements in order to identify any gaps.

A high level gap analysis should be done in the earliest phases of project planning. This will help in preparing for resettlement planning and ensure there is common understanding between various parties such as clients, consultants, the EBRD and any other relevant stakeholders on how any identified gaps will be addressed. More detailed work on comparing national legislation with PR5 requirements may need to be carried out once possible mitigation measures are identified when the type of compensation and assistance measures will be clearer.

In addition to land acquisition and expropriation, the gap analyses should review other applicable laws, particularly those that can help clients fulfil PR5 requirements without compromising their compliance with national legislation. This includes, for example, laws on social housing, family codes, employment laws, laws on personal documentation, social welfare or health laws, and so on. The legislative review may also extend into the resettlement implementation phase if laws change or new impacts arise, it may be necessary to review changes (or new laws) and adapt resettlement/livelihood restoration frameworks and plans.

1.2 What is the purpose of the legislative review?

All projects financed by the EBRD have to fulfil both national legislative requirements for land acquisition and displacement and the EBRD's requirements, in this case PR5. The purpose of the legislative review is to identify if there are differences in these requirements and to agree as early as possible how these will be overcome for successful resettlement planning and implementation.

Very often, clients initially believe that the EBRD's requirements go far beyond what national legislation requires and resist having to implement them, believing that they will be forced to act against the law or that they will provoke dissatisfaction of non-affected communities and the general public.



Clients often consider laws only in relation to land acquisition (expropriation), without looking at other available legislation which could provide them with the legal basis to provide assistance and livelihood restoration.

The purpose of the gap analysis in that regard is to assist the client to identify these laws which will help them fulfil the EBRD's requirements. If gaps and measures for overcoming them are not identified, the client will not have a legal basis and

mechanisms to be able to provide entitlements as specified in the entitlements matrix (see GPN 7) and cause project delays.

A legislative review is usually presented in the format of a table, comparing the relevant component of local and PR5 requirements and identifying any gaps. As an example, an extract from the gap analyses between the EBRD's PR5 and the legislation of FYR Macedonia is provided in Table 1.1. A template gap analyses table is provided on ebrd.com.

Table 1.1. Extract from gap analyses between the EBRD’s PR5 and provisions of FYR Macedonia laws

Issue	EBRD policy requirements	Provisions of FYR Macedonia law	Gap/comment	Proposed response
Categories of displaced persons	<p>Category 1: those who have formal legal rights to the land (including customary and traditional rights recognised under national laws).</p> <p>Category 2: those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws.</p> <p>Category 3: those who have no recognisable legal right or claim to the land they occupy, including seasonal resource users such as herders/fishing families, hunter and gatherers who may have interdependent economic relations with communities located within the project area (paragraph 18).</p>	<p>The FYR Macedonia Expropriation Law does not explicitly define categories of displaced persons, but it recognises persons who have formal legal rights on land and structures, as registered by the Real Estate Cadastre and those whose rights and claims are recognisable under national laws – that is, those that can be determined based on sale-purchase contracts, inheritance documents, and so on.</p>	<p>Those who have no legal rights or claims to the land they occupy are not recognised by the law.</p>	<p>The presence of those who have no legal right or claim in the project affected area must be investigated and, if recorded by the census (at the time of the cut-off date), they must be provided with compensation and assistance as required by the EBRD.</p>



1.3 Common challenges

1.3.1 Appointing inexperienced practitioners

If the legislative review is done by someone with no previous experience of PR5 (or similar IFI requirements), it is likely they will have problems understanding all requirements and how they are implemented in practice, making it difficult to know what to look for in national legislation. In addition, without recognising project impacts, including those identified through the census and socio-economic survey, the legal review may be too broad and not focused on addressing real project issues.

Many countries have laws which are not always implemented for a number of reasons, for example, relevant by-laws or infrastructure needed to support their implementation is not in place, or their implementation is not a high priority from a political standpoint, and so on. Sometimes there can be differences between how laws are written and commonly implemented in practice or it can vary between jurisdictions. This will only be known to practitioners in the respective fields, particularly those who are active in relevant jurisdictions. For example, local legislation often requires public hearings prior to approval of projects or issuing of permits (such as environmental permits), however these are announced in official gazettes (which no one reads) and thus may not meet the requirements for meaningful consultation.

Good practice examples to overcome the challenge:

- Determine which PR5 requirements will be applicable for the project and identify appropriate laws and regulations that need to be reviewed in order to address the gaps
- The legislative review should be carried out by experienced national lawyers jointly with (or with guidance from) consultants experienced in the application of PR5
- All applicable legislation should be reviewed, particularly land codes, expropriation laws, real estate registration laws, valuation laws and related lesser implementation acts such as decrees and orders
- Laws and other regulations in various fields should also be reviewed to assess gaps with relevant requirements – social welfare, social housing, unemployment assistance, access to personal identification documents, access to education, assistance for particularly vulnerable groups, and so on (see GPN 1)

- The search for legislation should be narrowed down when impacts have been defined, on the basis of the census and socio-economic survey, to make the legislative review relevant for the project
- Previously undertaken legal reviews are sometimes publicly available within resettlement action plans or resettlement frameworks disclosed by international institutions such as the World Bank, the IFC, or regional development banks like the EBRD or the ADB. Be sure to update previously undertaken gap analyses with changes in legislation, adapting it to the project in question
- Meet with practitioners such as relevant ministries or other government institutions, NGOs or other organisations active in certain areas who can help in assessing the implementation of laws and clarifying certain provisions, such as free legal aid.

Case study

On a waste management project in the Kyrgyz Republic, a client did not want to assist informal waste pickers at the landfill marked for closure as “they are illegal and therefore not entitled to anything.” The legal gap analysis revealed that various forms of assistance could be provided to this vulnerable group of people under national legislation through relevant government institutions and agencies. The client agreed with the approach and participated in the implementation of a livelihood restoration plan.

1.3.2 Addressing gaps between national legislation and PR5

Even when the legislative review has been successfully completed, it is likely that some gaps with PR5 will remain. The requirements of PR5 for some issues go beyond what is required under national legislation; however, they have to be implemented for the project to be financed by the EBRD. These issues commonly include provision of assistance to informal occupiers of land (slums) and assistance to restore informal livelihoods, however there are also various other issues particular to certain countries where the EBRD invests.

Good practice examples to overcome this challenge:

- Determine possible ways to achieve improvements in the standard of living and livelihood restoration of affected people which would not be contradictory to national legislation. For example, informal waste pickers whose source of income is unsustainable (from day to day) and who are working under appalling health and safety conditions without social or health benefits could be assisted to move into the formal sector through projects provided by national employment agencies, such as start-up loans or grants for small business development. These projects and opportunities are often provided by employment agencies for vulnerable people, independent of IFI projects or requirements
- Look for precedents in the country which might not have necessarily been in relation to IFI projects, such as provision of programmes for social housing for residents of informal settlements or refugees/displaced persons. Countries that have recently had to deal with wars or significant numbers of refugees or displaced people have had to develop certain types of services which were not customary before these

events (accommodation for refugees/displaced persons, the need to integrate them into society, and so on). These can be invaluable in cases of resettlement, particularly of people who have an informal status (ownership or economic activity) or who are for any reason in a more vulnerable position than the general population. Such services and developed systems may already be known to clients (particularly local staff) and can be easily identified through discussions with local service providers or residents of the affected area

- A good legal analysis can assist clients with public sector projects to identify methods of implementation which may not be immediately obvious. For example, the legal basis for implementing activities may not be clearly spelled out in national legislation or the terminology may not translate well in practice (such as execution of compensation in kind as a priority, as opposed to cash compensation which is often favoured by national legislation). These decisions can also serve as a basis for the allocation of funds needed for implementation
- In some cases it may be possible to influence changes in national legislation to enable fulfilment of the EBRD's requirements. However, it is extremely important for changes in legislation to be the result of acceptance that the proposed changes can benefit all citizens of a certain country, not just to enable the implementation of one project.

2 Census

2.1 What is a census?

The census is a process for compiling a 100 per cent sample of individuals, households and businesses (formal or informal) who will be physically and/or economically displaced by a project. At its most basic, it is a list of all the people who will be affected by the loss of assets or access to assets, though sometimes it also includes additional information such as contact details, age, education, employment and income, which is collected through various field investigations and activities including the socio-economic survey (see GPN 3).



The census usually goes beyond what is found in official property registers and what is normally considered a valid basis for compensation in the land acquisition/expropriation process under national legislation.

The census will usually include:

- A list of all owners of affected land, structures or other assets including type of ownership for each asset – formal (registered), customary or informal (unregistered)
- A list of all users of each land plot and each structure or other assets, if different than the owners, with contact details and the basis for use – registered contract, unregistered written contract or oral contract, informal use with or without the knowledge and approval of the owner
- A list of persons who will be economically displaced by the project and in what way (such as seasonal users of land/resources in the project affected area or employees of affected businesses)
- In cases of physical displacement, a list of all individuals who will have to relocate
- In cases of economic displacement, a list of businesses and their owners, type of business activity (formal or informal), lists of business employees, monthly profit and employee salaries.



A household is commonly defined as a group of persons sharing a home or living space, who aggregate and share their incomes, and evidenced by the fact that they regularly take meals together.²

However, this needs to be defined on a case-by-case basis depending on the usual practices in the affected community. This is an important task as it can have implications for budgeting and implementation of entitlement measures (see GPN 7). The most common example of this is when grown children living in their parents' house may be separate households and may be entitled to separate housing (their own plot of land and house, or their own apartment).

The census data needs to be supported and cross-referenced with the following information:

- A list and map of affected land plots, showing the total affected area, with registration numbers, land type (agricultural, construction, industrial) and current land use (pasture, meadow, forest, orchard, and so on)
- A list and map of main structures located on each land plot, their purpose (residential or business), area size and legal status, whether formal (registered, with construction permit) or informal (unregistered, without construction permit).

It is important to note that the above list is only indicative and lists examples of possible categorisations of land, structures and affected people in a census. The actual census data will vary from project to project, depending on the types of affected properties, project impacts and the specifics of the communities or groups of people affected, as well as the legal circumstances in the country.

An example of census data is presented in the table overleaf.

² Source: Oxford University Dictionary of Sociology.

Table 2.1. Example census data – households

No	Names and ID numbers	Relationship to head of household	Sex	Age	Highest level of education	Source of income/livelihood	Address/settlement/location/plot number	Type of property/description of property	Status of property/ownership	Contact phone number	Total household income per year (€)
1	Harry Lambert ID number: XXXX	Head of household (HH)	M	49	PhD	Salary, professor	3 Moonlight Street, Apt. 2	Apartment, three bedrooms (112 m ²)	Formal, registered	xxx-xxxx	73.200
	Betty Lambert ID number: XXXX	Spouse of HH	F	50	University degree	Salary, sales					
	Dana O'Neil ID number: XXXX	Mother in law of HH	F	72	Primary school	Pension					
2	Joan Danes ID number: XXXX	Head of household (HH)	F	33	Third grade primary school	Sale of goods at informal market, social welfare	Raka settlement	House (20m ²), cardboard and wood	Informal, on public land	xxx-xxxx	4.200
	Harry Birks ID number: XXXX	Partner of HH	M	36	Primary school	Waste picking, seasonal work abroad					

Table 2.2. Example census data – businesses

No	Address/settlement/location/plot number	Type of property/description of property	Status of property/ownership	Contact phone number	Status of affected person	Name of affected person	Net income (source and amount) per month
1	27 March street, No 102	Flower shop (50 m ²)	Leased space from municipality, formal business	xxx-xxxx	Co-owner	Anna Walters	1.500 (50% of net income)
					Co-owner	Mara Heinz	1.500 (50% of net income)
					Employee, sales	Dan Bounes	450, salary
					Employee, sales	Clara Finnley	400, salary
					Employee, cleaner	Anna Stone	150, fee



Relationship between the census and the national land acquisition/expropriation procedure

On most projects, some of the data needed for the census exists in different property registers and this is used as a basis for calculating compensation under the national land acquisition/expropriation procedure. However, to capture all categories of displaced people which would be eligible for compensation and/or assistance under PR5, this data almost always has to be supplemented through additional investigations and field surveys (see GPN 2.3.1). As property registers are not always up to date with information, even the authorities in charge of land acquisition/expropriation have to carry out certain field investigations to reach all lawful owners entitled to compensation. For example, if they identify that the registered owner of a property has passed away, they have to search for the lawful heirs, which is often done through contacts with local communities. If this information is already collected by authorities it should be obtained by the client for the RAP/LRP census and if not, the outcome of the census work should be shared with the authorities to avoid duplication of work and save resources.

Relationship between the census and socio-economic survey

The data collection and management process for the census and the socio-economic survey is to a large extent the same, particularly with respect to field investigations. Carrying out these activities simultaneously is considered good practice to avoid burdening affected people, as well as to save time and resources for the client.

Deciding how information will be collected will vary from project to project. When contact details of registered owners/users of affected plots are available (which is very rarely the case), additional information that is needed for the census and socio-economic survey can be collected through direct contact with them. More often than not, there is no way to contact individually affected people before visiting affected sites, so it is necessary to announce field activities in the local community and then, with the help of local authorities, have field surveyors identify affected people and collect the necessary information. There are many ways to approach the collection of data and at times more than one approach may be needed. For example, in informal settlements where the cut-off date (see GPN 5.3.1) for eligibility is a key consideration, one good approach is to hold a community meeting and to then ask people to stay in their homes and wait to be recorded by census teams and then have these teams walk the footprint and record structures and households living in them. The detailed socio-economic survey can then follow at a later date.

2.2 What is the purpose of the census?

The census lists all those eligible for compensation and other forms of assistance resulting from the project's need to acquire land. The completion of the census usually defines the cut-off date for eligibility for compensation and assistance (see GPN 5). This is particularly relevant for those who have no legally recognisable rights or claims to the land they occupy. When done separately from the socio-economic survey, the census provides key data on who should be covered by the survey (see GPN 3). The census provides essential information about the scale of resettlement (number of people affected, by category); the nature of the impacts (loss of land, structure, source of livelihood and so on); and the types of losses that require mitigation. During implementation, the census also forms the basis for monitoring and evaluation.

2.3 Common challenges

2.3.1 Updating official data through field activities

Information in official land registries is sometimes missing or out-of-date for various reasons – previous conflict(s) and associated displacement of people, de-nationalisation and restitution of properties, unresolved inheritance, rental and sale purchase agreements not registered, and so on – and therefore cannot be completely trusted and used as a census.



The most reliable information in official registries is usually that which concerns the land plot (cadastral number, area and land use).

A key limitation of official registries is that they do not provide information on the character of the structures, informal users of land and structures, informal businesses, individual members of affected households, business employees or owners of informal (non-registered) assets, all of which are entitled to compensation and/or assistance under PR5 and therefore must be recorded by the census.

“ I work as a mechanic in a local shop, run by the Albahari family. A few weeks ago, my boss told me that the shop would be closed down in the next couple of months as it needs to be demolished to make way for a new thermal power plant. He had this information for the last year when the expropriation notice was given to him. I couldn't believe it, I'm really upset. I don't think he will re-open the shop with the compensation he will get, as he's getting older now and he probably doesn't want to start again at his age. It was really hard to tell my family about it. I need to make sure we have enough money to live on. I took the initiative and organised a group of people in the same boat to approach the developer to let him know that we will be seriously affected by this situation and we presented concrete suggestions about what would help us. I've asked for a job on the construction of the plant.”

Phillip, 36 (mechanic)

Good practice examples to overcome this challenge:

- The census should always be linked back to the affected land plot and the people who own and/or use it and its assets, because it is the loss of the land plot and what is on it that causes displacement
- Official registries can be used as a starting point but the data available in them needs to be supplemented and verified in the field to become the census. For that reason, ensure that resources for field activities are available
- Use all available sources such as high resolution aerial photos and Google Earth to identify land use and any assets on it
- Contact registered owners and users through letters, phone calls or a site visit to ascertain who else is using the affected land and structures and collect contact details if necessary
- Consult with local authorities to supplement officially recorded data such as municipalities or local communities, institutions that provide some types of services (such as centres for social welfare), agricultural departments that provide state subsidies, departments for displaced persons, and/or refugees or similar institutions
- Undertake a site visit to talk to people in the project area such as land users found in fields, neighbours in nearby houses and so on
- When going into the field to identify affected people for the census, carry out the socio-economic survey interview at the same time where possible. This will help to avoid duplication of effort and reduce the number of times affected households have to participate in survey activities. For this process, it may be beneficial to use local surveyors who know people living in the project area and have ways of identifying users of land and their whereabouts (see also GPN 3).

Case study

On a gas pipeline project in Romania, in certain areas of the country it was determined through discussions with local authorities that the information from official registries did not correspond to the situation in the field. This was mainly as a result of de-nationalisation and restitution of land that had taken place. Large areas which used to be owned by cooperatives were divided into smaller plots of land 'on paper' and assigned in official registries to members of the cooperatives who became their owners. However, in reality, people continued to use the same land plots they used before restitution which were in many cases different than the ones assigned to them 'on paper'. As this could lead to compensating people who were not the rightful land owners or users, particularly in the case of a linear project, detailed field investigations had to be carried out. The most important sources of information were local authorities, people living in nearby communities, those using neighbouring land plots, and local surveyors.

2.3.2 Recording seasonal or occasional land/resource use

People may use land or resources in the project-affected area occasionally or seasonally. Some resources are only available at certain times of the year (mushroom pickers, herb gatherers) and pastoralists may graze animals in certain locations depending on the season. Other activities involving access to resources may be carried out when formal work opportunities are not available such as hunting, waste picking or fishing. In both cases, these activities can constitute an important source of livelihood and/or subsistence for affected households and losing access to resources can leave dependent people or households more vulnerable. This is particularly relevant to the census because if it is carried out at a time when these people are not present in the affected area, they may not be recorded and the impacts on their livelihoods will not be recognised and mitigated. It may also be impossible to determine all persons who are engaged in such activities and record them individually particularly if they normally live in a different part of the country.

Good practice examples to overcome this challenge:

- Consult with stakeholders such as local authorities, any prominent local people (community or religious leaders) and various associations (hunting, fishing) to determine whether there are occasional and seasonal land and/or resource users
- Plan census activities at a time of year when seasonal land users are present in the project area or use the affected resources. If it is not possible to coordinate with other census activities, a separate census process may be necessary
- Organise the census registration activity over a longer period of time to capture seasonal and/or part time use
- The length of the census activity and the period during which it is to be carried out should be determined based on the types of activities that need to be captured (hunting season, agricultural production, collection of herbs and wild fruits, and so on). For example, the daily recording of those who are present in the project area, at different times of day, for over a period of six months from December to June, can provide information such as who is continuously present in the project area, who is present occasionally, who is continually present in winter months, what times of day people are present, and so on
- While in the field and recording people for the census, use the opportunity to interview some of them for the socio-economic survey
- If it is impossible to register all affected people who engage in seasonal and/or occasional land use, organise focus group meetings with some of them (who could be identified) and define mitigation measures for the whole group rather than individuals. Use the opportunity to collect socio-economic data on affected people during the focus group meeting, if possible
- For some projects, there may be a need to develop a process for identifying legitimate land owners or users who are not present for the census but come forward at a later date. The process should be transparent about accepting applications of assistance after the cut-off date and the nature of any documentation that may be required.

Case study

On a waste management project in the Kyrgyz Republic, it was necessary to record people who were picking waste at the city dump. Consultation indicated that the number of waste pickers ranged from 500 to over 1,000 and changed seasonally, with more pickers on site in winter as agriculture and construction jobs were not available. One person from the city administration visited the waste dump every day for six months at different times of day and recorded all the waste pickers at the site. A total of 237 individual waste pickers were recorded in the period December to May. Good planning of census activities ultimately led to a better understanding of the true number of people affected and saved time and money.

2.3.3 Census for linear and large footprint projects

The census needs to be planned and implemented in a way that is appropriate to the project – for example, a road project may affect a large number of people but responsibility of resettlement may rest with more than one contractor. Similarly, a large mine project may be developed in phases and thus it may be necessary to undertake the census at different times depending on the project timeframe.

Carrying out a census for linear and large footprint projects is usually associated with a number of challenges, including:

- A significant number of affected land plots, together with associated land owners and users
- Different socio-economic conditions, levels of local development, population characteristics, and so on
- Crossing of multiple government administrative areas within one country or even several countries, with different types and levels of information available in official property registers and/or different legislative requirements
- Different timeframes for design and construction of various sections/components of the project, resulting in different timeframes for land acquisition and the census
- Crossing greater distances for fieldwork, which is time and resource consuming
- Permanent or temporary restrictions on what activities can be undertaken during project operations.

Good practice examples to overcome this challenge:

- Ensure that there is a uniform approach to the census in all project areas, regions and countries, and that the level and type of data collection is as consistent as possible
- The census can be done in phases for project sections which can be defined based on the stage of the project design, schedule of construction works, geographical characteristics and so on. For such projects, framework documents (see GPN 9) are initially developed and then individual resettlement/livelihood restoration plans are developed for these project sections

- Ensure resources are available to undertake census activities over a wide area. To ensure overall project timeframes are met, this may mean involving large teams in survey activities
- Use appropriate communication and engagement channels to be clear about why and when the census will take place. It is essential to clearly communicate the cut-off date to affected households and to make sure they are aware of the implications of this for them (see GPN 5).

2.3.4 Timing of census activities

The census provides essential information for resettlement planning and until it is completed, the development of a detailed resettlement/livelihood restoration plan cannot take place.

The census should be carried out as soon as possible once detailed resettlement planning begins. However, a balance should be sought in terms of seeking information and wasting time and effort. If a census is carried out too early – for example, when project components are not fully defined or are prone to change – the data collected will become out-of-date and unusable and the census will need to be repeated. Conversely, if a census is carried out too late, stakeholders may be frustrated with the lack of certainty or people may use that time to deliberately move into the area in the hope of receiving compensation.

Good practice examples to overcome this challenge:

- As the census provides information essential both for thorough planning as well as implementation, the time between these stages should be as short as possible, which requires efficient management, particularly the availability of needed resources
- The census should be carried out when the project footprint is close to fully defined and no major changes are expected
- If implementation of resettlement is delayed, census re-checks should be organised after a certain period of time (no more than 12 months) to update information because significant changes in census data can occur in that time period.

Case study

On a road project in Serbia, an informal Roma settlement was impacted and households needed to be resettled. The RAP was developed in 2010 but resources for construction of housing were not secured and implementation was delayed until 2015. In the meantime, household structures changed as a result of marriages, children being born and people passing away or moving abroad, and therefore the number of affected people increased. A census update was carried out and, as a result of the changes in household composition, most of the apartments had to be enlarged and the cost of housing increased.

2.3.5 Data collection and management

The recording of data through a census is an official process and will form the basis for assistance through the implementation process, compensation and monitoring.

It is essential that data is recorded in a consistent and transparent way to protect against fraudulent behaviour. Effort should also be made to avoid any conflict of interest by using neutral survey specialists as even the perception of a conflict of interest can be damaging.



Poor data management can limit possibilities for deriving useful information from the census process, which is fundamental to adequate resettlement planning, implementation and monitoring.

Data recording and management is particularly important, especially in situations when the census has to record people who have no recognisable rights or claims to the land they occupy. Being recorded by the census is the only way they will have eligibility for compensation and assistance which, according to most national laws, would otherwise not be available to them.

If the database is managed by several people for various purposes and each of them have their own copy, ensure there is a certain level of control and coordination, especially when it comes to data input and editing, as any mistakes or omissions may make it difficult to determine eligibility at a later date.

Good practice examples to overcome this challenge:

- Organise teams of people to carry out the census in the field. Use independent consultants accompanied by client representatives where possible. The socio-economic survey may be carried out in parallel, in which case the team may also include surveyors
- Inclusion of a neutral third party such as a reputable NGO or trusted community member in the census team may be beneficial for some communities
- Ensure that affected people are informed about the purpose and timing of census activities (and socio-economic survey if organised at the same time) in a timely manner. This can

be announced to the affected community through a public meeting and/or notices in public places, such as community bulletin boards, in local shops, health care centres and local gathering places, such as cafés. If possible the precise timing of these activities should be made known as well, so that people will plan to be available to participate. Contact details of responsible persons from the client's organisation should also be provided, so that people can ask questions, provide feedback or request to provide the required data at a different time if they are unavailable

- Obtain evidence of identity as part of the census process if possible. Ask for ID and take photos of people and assets (with their approval). However, keep in mind that this will not be appropriate in all cases
- It is essential for the grievance management mechanism to be in place at the time the census is undertaken so that all affected persons can respond if any findings from the census are incorrect
- As early as possible in the resettlement process, consider how data will be used and managed in both the short and long term, and by whom. This will enable the census activities to be planned and implemented in the most efficient manner
- Use simple database programmes (such as Excel) that can be used and managed easily by all those implementing the resettlement process. More technical databases (such as SPSS) are useful though may require surveyors to have additional training to ensure it is used effectively. As mentioned, ensure that any data editing is controlled and coordinated
- Where such laws exist, the collection, storing and use of data has to be aligned with national data protection legislation
- If numerical codes are used as household or individual identifiers, make sure these are used consistently across all survey processes. Ensure that those who will be using the data for resettlement planning and implementation can connect the codes to the names of project-affected people in order to plan correct assistance measures.

Case study

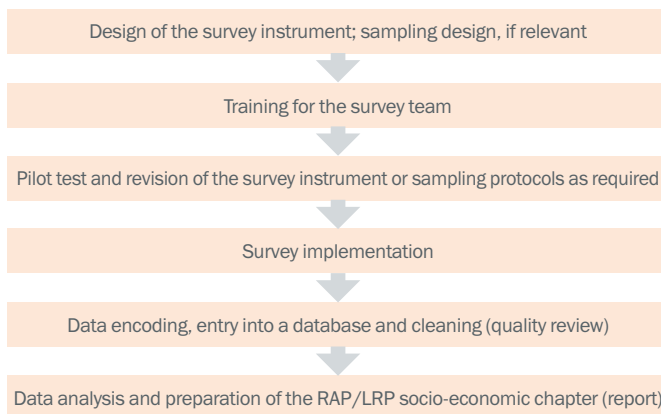
On a hydropower project in Tajikistan, the census database used numerical codes to identify households. No names of household members were included. During resettlement implementation, some households divided into smaller units as families originally within one household received their own plots of land and therefore created a new household. As it was impossible to connect data from the census with the actual people, the data from the census was unusable for monitoring (comparison with baseline conditions). Although the census also recorded people's skills and preferences for employment, as names were coded this information was also completely useless for developing livelihood restoration plans.

3 Socio-economic survey

3.1 What is a socio-economic survey?

The socio-economic survey is used to determine and analyse the socio-economic conditions of individuals, households and businesses (formal or informal) which will be physically and economically displaced by a project. This includes those who are directly affected through the loss of land or assets, but should also consider the issues facing host communities or other stakeholders affected by the wider development. This is in contrast to the objective of the census, which is a list of all those who are eligible to receive compensation and other forms of assistance from the project. However, there are many similar activities which are carried out during both processes and there are benefits from undertaking the two surveys at the same time.

The key tasks to be undertaken include the following:



Whenever possible, socio-economic surveys should cover all people recorded by the census (see GPN 2) and both these activities – as well as an asset inventory (see GPN 4) – should preferably take place at the same time to avoid overburdening affected people with interviews and to save time and resources.

In some cases, the socio-economic survey interview will only include those who will be most directly affected by land acquisition and, to the greatest extent possible, information on other affected people may be collected from them (see GPN 3.3.3).

In some situations it may also be necessary to carry out surveys even before the census is organised during the phase of developing framework documents (see GPN 9) to be able to determine the socio-economic characteristics of potentially affected people and predict likely impacts of project land acquisition. This is common in cases when the project requires large-scale land acquisition (large footprint and linear projects) and will affect thousands of people. In such cases, a sample survey will be carried out for the purpose of initial resettlement planning, however, detailed baseline conditions of all affected people/households/businesses have to be recorded at a later stage during the development of resettlement/livelihood restoration plans to enable monitoring. The sample socio-economic survey may not always be required in the framework

document development stage. There may be enough information in the ESIA or there may be other ways of collecting this information, such as through focus group meetings or key informant interviews (see GPN 6).



Linkages with the ESIA

Depending on the stage of development of the ESIA, the resettlement socio-economic survey can either draw on the data that is already available or serve to supplement it.

The results of previously conducted surveys for the social impact assessment can help to shape resettlement socio-economic surveys. For example, previous social surveys can show there is a significant presence of refugees or displaced persons in the affected area using houses and land which were left empty after their owners fled during conflict, which means the resettlement survey has to be designed to capture the expected losses of both the current users of such properties, as well as the legal owners who are absent.

Project clients often have ESIA developed and adopted in accordance with national legislation which for some projects must be supplemented with data required to fulfil international standards for ESIA. It is common across the EBRD's countries of operations for the social component of an ESIA to be less detailed than other sections and thus additional work is often required.

Opportunities for consolidating survey work should be considered, particularly in relation to minimising 'stakeholder fatigue' amongst communities. However, this will not be appropriate in all cases as the purpose of surveys and other stakeholder engagement activities may be specific to affected groups or to help them understand and address particular issues. Substantial benefits will be gained from careful planning of all survey activities.

Ultimately, in the presentation of data, socio-economic chapters in the ESIA and a RAP/LRP will usually differ in the fact that the ESIA will present more regional data, while the RAP/LRP will be very site specific and will include data relevant only for physically and/or economically displaced persons.

3.2 What is the purpose of the socio-economic survey?

The primary purpose of the socio-economic survey is to gain an understanding of the living standards of affected people/households, their sources of income, their access to services and infrastructure, their social networks and preferences for relocation and livelihood restoration as a basis for determining displacement impacts and designing mitigation measures. The results of the survey are presented in the resettlement/livelihood restoration plan and show why and how certain mitigation measures were designed.

The survey also supplements the census data. For example, interviewing a project-affected person may reveal that there are others who will be economically displaced in relation to the same plot of land and therefore need to be included in the census.

The data collected through the survey also serves as a basis for monitoring impacts and evaluating achieved progress in restoring living standards/livelihoods during and after resettlement implementation. Comparing post displacement data collected through monitoring with the baseline data collected through the socio-economic survey will provide information on whether livelihoods and standards of living have improved, deteriorated or stayed the same.

3.3 Common challenges

3.3.1 Designing surveys and managing data

Socio-economic surveys are often logistically demanding and require time for design, implementation, encoding and analysis. The most important thing to bear in mind when designing the survey is the aim of providing a realistic picture of the socio-economic conditions of all affected people, households and businesses. The data collected has to be usable for identifying impacts and designing appropriate mitigation measures. In designing survey questions, a balance needs to be struck between the information being collected and the time it will take to collect it. A survey form with long and unnecessary questions can provoke negative reactions and resistance from affected people, who can then refuse to participate. Very detailed socio-economic chapters in the RAP/LRP which contain data not relevant for resettlement planning will not serve anyone and may even take the focus away from the real project issues and impacts. On the other hand, the surveys need to capture enough information to fully inform the preparation of appropriate and relevant entitlement measures.



It is not possible to have a “one size fits all” survey template. Example forms can be found on ebrd.com but these should be designed to fit a particular project.

Case study

On a transport project in Serbia which required the resettlement of an informal Roma settlement from the centre of a city, the survey form included several questions on the source of water being used by families (resulting from resettlement experience in other countries/continents), although it was clear from visiting the settlement that all families used water from a broken public water supply hydrant next to the settlement. The survey confirmed this with almost 100 per cent of answers, with a few witty ones from respondents who clearly felt these questions were completely irrelevant. The answers were clear from being present in the field and could, for example, have been briefly confirmed with affected people at a focus group or other meeting rather than taking up space in the survey.

Good practice examples to overcome this challenge:

- Surveys should be designed for a specific project by a social specialist experienced in designing and implementing such surveys, preferably for resettlement purposes
- Prepare different survey forms for different target groups where necessary – for example, for households that are to be physically relocated and for businesses, for rural and for urban areas. Include a comments section for surveyors to note down any observations on issues which are not included but may be of importance for resettlement planning
- Survey forms should be designed in a way to enable an interview to be completed as quickly as possible, ideally no longer than 30-45 minutes
- Survey forms should be tested before they are implemented. This can be done by randomly selecting several affected individuals/households/businesses during the training of surveyors to provide them with a practical exercise and to enable the refining of the forms
- The database for recording and managing acquired data should be designed in parallel to the survey form to ensure consistency and good practices. As with the census, the database should be as simple as possible to use as it may have to be accessed by a wide variety of people. Using Excel could be adequate for surveys covering up to a few hundred affected people, but for projects with a significant amount of data, more advanced programmes such as SPSS may be needed. The survey database should be compatible with the census database (see GPN 2.3.5) so that information from the two can be cross-referenced and linked.

3.3.2 Sample size

Designing the sample size for socio-economic surveys is challenging. It can be influenced by a number of factors including the availability of information, nature of the affected community, project characteristics and likely impacts.

Unlike the census, which requires a 100 per cent sample size, there is no set requirement for the proportion for the affected community to be included within the socio-economic survey. The sample could be indicated as a percentage of the number of affected people, or it could focus on specific issues or groups. At the same time, part of the census data may not otherwise be available and in fact can only be collected through the implementation of the socio-economic survey.

Ideally, all people who will be physically and economically displaced should be interviewed for the socio-economic survey (100 per cent sample) but this is not always possible.



In some cases, the numerical value of the sample size will not be as important as covering those who will be most directly impacted. For example, you may seek to include all of those who will be physically resettled but only a 50 per cent sample of those who are losing non-residential assets.

Good practice examples to overcome this challenge:

- Engage a professional statistician to work with resettlement planners to design the survey methodology and determine the appropriate sample size
- Deciding on the size of the survey sample has to be determined on a case-by-case basis and will depend on many factors. Example approaches to determining the size are provided in Table 3.1.

Table 3.1. Example approaches for determining the sample size for socio-economic surveys

Sample size	Community characteristics	Pros	Cons
100%	<ul style="list-style-type: none"> • Small communities (less than 200 households) • Heterogeneous communities • Projects which involve displacement of persons who have no recognisable rights to the land they occupy (informal settlements) • Significant impacts, including physical displacement 	<ul style="list-style-type: none"> • Full understanding of affected community • Full information on each household needed for development of tailored assistance plans, enabling the client to know exactly what needs to be done for each household/person • Baseline information on every affected household for precise monitoring 	<ul style="list-style-type: none"> • Can take time and be costly
50%	<ul style="list-style-type: none"> • Medium communities (between 200 and 500 households) • Medium impacts – for example, a part of the community will be physically and economically displaced and the rest only economically displaced 	<ul style="list-style-type: none"> • Good understanding of affected community • If targeted properly to those who will most seriously affected, there will be enough information to develop tailored assistance plans • Baseline information for precise monitoring will be available for those most seriously affected 	<ul style="list-style-type: none"> • Will take some time but still usually manageable • Costs are higher than for a smaller sample
10%	<ul style="list-style-type: none"> • Large communities or linear projects (more than 1,000 households affected) • Few impacts – for example, only small percentage of plots affected (road or pipeline), no physical displacement and very little economic displacement • Homogeneous communities 	<ul style="list-style-type: none"> • Shorter timeframe • Less costly 	<ul style="list-style-type: none"> • May not identify all relevant issues • May require additional survey at a later date • Monitoring may be more intensive

Case study

On a 2,000 kilometre gas pipeline project across four countries, the sampling methodology for a land acquisition framework focused on areas where the most severe socio-economic impacts were likely to be encountered. For example, where the general socio-economic status of the population was lower (poorer regions), where there was a high presence of vulnerable groups (Roma), where unemployment was high, and where local people were using natural resources. The assumption was that the most significant impacts could occur in these areas and impacts in other areas crossed by the pipeline were likely to be less significant. This approach was designed with a view of developing an entitlements matrix which would cover all possible impacts that could be encountered during the implementation of the project.

3.3.3 Identifying survey participants

An affected land plot may be used by more than one person or household. As such, the project needs to identify who to speak to during the socio-economic survey. It's important to do this before commencing survey activities to avoid repetition or having to adapt survey questions once it is underway. There are numerous situations that can be encountered in the field, such as:

- Several siblings own a plot of land but only one of them uses it
- One land owner rents land to several users
- Two households live in two houses on land belonging to one of them
- Many households are living in an apartment building
- Several shops are located on government-owned land
- Many people using a publically-owned plot of land for growing crops.

Good practice examples to overcome this challenge:

- Survey forms should be developed based on existing information and knowledge of the area and affected households. Previous visits to the affected area and engagement with stakeholders is useful (see GPN 2.3.1), as are any existing project documents such as the social impact assessment, and/or documents prepared for other projects in the area or region
- Agree on a clear protocol for who should be interviewed and in what order of priority before the implementation of the survey. Ensure surveyors are made aware of the agreed priorities

- If there are likely to be many users of one plot (for example, where average plots are larger), make the form flexible so it can record data on all users of land. Alternatively, focus on interviewing the main or largest user of the land plot first and ask them some basic questions about other users. This is particularly important if the survey is being carried out in parallel to the census where the names and contact details of all users of the affected land plot have to be recorded
- When interviewing users of land who do not own it, basic data should also be collected on the owner of the land, particularly their contact details so they can be contacted for follow-up questions, for both the census and the actual acquisition
- Where there is more than one residential or commercial structure on the acquired land plot, and each one is being used by different individuals, households or businesses, use a separate questionnaire for each
- Record respondents' contact details so they can be contacted after the survey if necessary – you might need to clarify some answers or ask follow-up questions
- Some households may not be willing to participate in a socio-economic survey. This should be respected. However, take the opportunity, if appropriate, to address their fears and concerns. Common issues include a lack of understanding of the process or project impacts, fears over confidentiality (particularly relating to illegal or informal livelihood), or mistrust of the project or teams conducting the survey. Make sure affected households have access to information about the project and, where possible, accommodate those who choose to participate in the survey at a later stage
- Surveys are usually carried out with the head of the household, which is commonly a man. Be aware of how this may impact the responses and consider how you might access the views of other household members, particularly women. You could encourage other household members to be present for the survey and share their views as appropriate.

Table 3.2. Comparison of the risks and advantages of using professional survey companies and local surveyors

Issue	Professional surveyors/companies	Local surveyors
Travel and accommodation	<ul style="list-style-type: none"> • More resources needed 	<ul style="list-style-type: none"> • Fewer resources needed
Training requirements	<ul style="list-style-type: none"> • Less training likely to be required but they will need detailed briefing on the local area 	<ul style="list-style-type: none"> • Need detailed training on survey techniques
Local knowledge	<ul style="list-style-type: none"> • Fewer community (local) contacts, lower likelihood of finding all owners/users resulting in less coverage 	<ul style="list-style-type: none"> • More local contacts, higher likelihood of finding all owners/users, resulting in more coverage
Openness of affected people in providing sensitive data	<ul style="list-style-type: none"> • In both scenarios, the likelihood is the same of encountering participants who are uncomfortable speaking to and sharing sensitive information with outsiders and others who are comfortable doing so 	
Quality of data	<ul style="list-style-type: none"> • Data quality likely to be higher 	<ul style="list-style-type: none"> • May take longer to ensure quality results
Community perception of project	<ul style="list-style-type: none"> • No benefit 	<ul style="list-style-type: none"> • Engaging local community (youth or the unemployed) is seen as a concrete local benefit of the project

3.3.4 Appointing the right field surveyors

Choosing appropriate field surveyors is essential to collecting reliable data. Experienced surveyors bring considerable skill and experience to the process, but a combination of professional surveyors and local people from the affected community may also be appropriate, especially in cases where it is challenging to find survey participants or where local knowledge is essential.

Table 3.2 outlines the advantages and risks associated with using professional surveyors and local people. Ultimately the decision will be based on the specific project's circumstances and needs, as well as considering the gender mix of surveyors, language requirements and the size of the team. In all cases, constraints should be planned for and managed.

Case study

A mine was being developed in Bosnia and Herzegovina and many former residents (particularly young people) were returning to the area in the hope of finding jobs. Many of them were highly educated. The client engaged some of these young people to carry out surveys. Because this was an open mine, a large area of land needed to be acquired, some of it uninhabited, in a region where there were conflicts during the 1990s and significant migrations of people in all directions as a result. Substantial numbers of people abandoned their land and houses, some of which were later occupied by displaced persons and refugees from other places. The advantage of using local surveyors was that they knew the area and its previous and new residents well and were able to find and interview them all fairly easily. After the survey, the client employed some of these young people on the project.



Good practice examples to overcome this challenge:

- During training, ensure surveyors understand the general context and know what is behind the questioning, so that during interviews they can note down some of their own observations which may be relevant
- Training should cover the whole survey form in detail, clarifying any issues as well as the overall communication protocol. Ensure this is done as a group so all surveyors will use the same approach in the field. The testing of the survey form (see GPN 3.3.1) can also be done in a group as part of surveyor training
- Employ a survey coordinator to organise surveyors in the field and be available on a daily basis to address issues as they arise. The coordinator also checks whether survey forms have been filled in correctly and verifies each survey has been adequately completed
- Ensure surveyors speak the relevant local languages and have good communication skills

- Provide surveyors with pamphlets that contain basic information on the project, contact details for the client and details of the grievance mechanism to give to survey participants if requested.

Case study

On a pipeline project in Romania, a company from an urban centre was selected to carry out surveys in a number of rural communities located along the project footprint. Initially, the surveyors ran into many obstacles when trying to find people to survey. These cadastre addresses were outdated and in many cases incomplete, with just the name of the village and no street or house number. The surveyors engaged members of the local community to help them find the landowners, initially identifying heirs or their relatives as a first step.



4 Asset inventory and valuation

4.1 What is asset inventory and valuation?

The **asset inventory** is a process for registering all land and assets present in the affected area at the time of the cut-off date and which need to be acquired for a project. This process is not unique to resettlement projects and is usually underpinned by a range of government regulations. It is essential for resettlement projects to understand these regulations and then identify any gaps between this and PR5.

The asset inventory should identify all affected assets such as the following:

- Land, by type (residential, agricultural, commercial)
- Residential structures (houses, apartments, informal dwellings)
- Non-residential structures (barns, outside toilets, storage facilities, fences)
- Other physical assets (non-moveable assets such as trees, standing crops)
- Private enterprises (shops, workshops, stalls, factories and other business establishments)
- Communal assets such as common resources (woodlands), public structures (schools, clinics, communal water points) and cultural property (burial grounds, monuments, sites of religious or historical significance)
- Infrastructure (roads and bridges, irrigation and drainage channels, water and sewage lines, transmission lines)
- Informal and temporary structures (often illegal and therefore may not be covered by regulations).

Valuation is the process of identifying the value placed on an asset for the purpose of calculating compensation. This is often regulated by national legislation but sometimes needs to be aligned with PR5 requirements. Analyses of the valuation process and methodology, including gaps in comparison to PR5 requirements, are carried out as part of the legislative review (see GPN 1).

PR5 prescribes that the client “will offer all displaced persons and communities compensation for loss of assets at full replacement cost”. **Replacement cost** is usually calculated as the market value of the assets plus the transaction costs (taxes, stamp duties, legal and registration fees, relocation costs and so on) related to restoring such assets.

4.2 What is the purpose of asset inventory and valuation?

The asset inventory and valuation provide the number and value of affected assets. It is essential for project and budget planning, and forms the basis of monetary compensation for affected people.

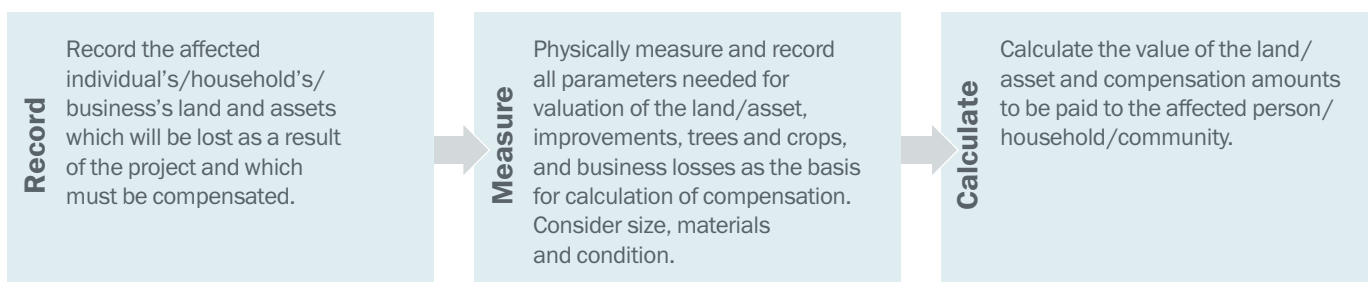
Preliminary asset information is often collected together with the census and socio-economic survey (preferably simultaneously to prevent stakeholder fatigue) for the purpose of resettlement/livelihood restoration planning, while a detailed and precise asset inventory and valuation are carried out by certified experts, engaged by the client, during implementation.

The purpose of the asset inventory and valuation is to record assets, which should ensure that affected people know what compensation they are entitled to and in what amount, and ultimately receive compensation at full replacement cost for their affected assets. These activities are important for achieving transparency in the acquisition process, which contributes to gaining the trust of affected people, as well as their support and willingness to cooperate. Ensuring transparency also reduces complaints, including fraudulent complaints for increased compensation for assets installed after the cut-off date, which should not be compensated.

As part of the legislative review (see GPN 1), resettlement planners need to understand how compensation is calculated by certified experts under national legislation and how this relates to the PR5 stipulation to compensate land and assets at full replacement value. Resettlement planners should cooperate with certified experts on adapting their methodology and process, if necessary, to fulfil this requirement.

Failing to carry out the asset inventory and valuation properly can lead to prolonging land acquisition and resettlement, consequently delaying the construction stage of the project, increasing the overall costs and creating an overall bad image of the project.

Figure 4.1. Steps in recording and valuating affected land and assets



4.3 Common challenges

4.3.1 Appointing qualified specialists

The asset inventory and valuation process can be a source of conflict on projects, especially if the valuers are not independent from the client. If this is the case, affected people can rightfully claim a conflict of interest and the fairness and transparency of the valuation and compensation process can be thrown into doubt.

Valuations are often complex and require expert knowledge of agriculture, forestry, civil engineering, economics, technology, geology, and so on. It is therefore important to ensure the valuer appointed has the right skills and credentials, as this can be another potential source of discontent for affected people.

Good practice examples to overcome this challenge:

- Asset inventories and valuations should be completed by independent, certified experts in the area/s appropriate to the type of asset being valued. Respected professionals (usually government officials or certified valuation experts) should be sought from registered professional bodies, academic or research institutions or from within government agencies. Experts who do valuations for courts or banks can also be used. Ensure they have knowledge of the local property market and any relevant legislation
- Consider providing affected people with the option of choosing from a list of valuers provided by the client. Alternatively, they should be given the option of hiring a certified valuer of their choice if they decide to contest a valuation that has been performed by valuers hired by the client
- Asset inventory should be carried out in the presence of affected people and, if appropriate, a trusted third party such as a village or municipal head, community representative or a legal NGO. A record of the completed inventory should be signed by the affected person/household, by the client and, if appropriate, by a trusted third party. The valuation reports should also be provided to affected people so they may review them and submit grievances if unsatisfied. The valuation reports should serve as a basis for negotiations with affected people
- The overall valuation can be publically disclosed but individual property valuations should be kept private.

4.3.2 Defining replacement value of land and assets

To define full replacement value requires firstly determining the market value of land and assets. If property markets are active, a comparable sales valuation method is applied, whereby prices of recent sales of similar objects/comparable properties on a well-functioning free market (that is to say, independent buyers and sellers making free and informed choices) are compared. To reach full replacement value, transaction costs related to

restoring land and assets, such as taxes and registration fees, should be added to the market value.

However, in many EBRD countries of operations, land and property markets are still in a transitional state where there is strong rural to urban migration and a lack of interest in rural land and assets. As a result, there may be very few (if any) private transactions from which market value could be determined, particularly outside of urban areas. Where transactions have occurred, the prices recorded in government land or property registers are often understated for the purposes of minimising transfer taxes.

In some countries, the cadastral value is used as a basis for compensation. It is often set administratively and can be significantly below market value or, in some countries, it may be based on historical production levels which were higher than what they are currently and therefore represent agricultural “highest and best” use.

A particular challenge which is sometimes encountered is that the market value of structures is significantly lower than the value of the materials and labour needed to construct a new structure of the same size and quality in a nearby location. For example, an affected house of 100m² in a rural area can be bought on the market for €20,000 (as the demand for such houses is very low) but the cost of materials and labour to build a new house of the same size in the same area could be €100,000.

Good practice examples to overcome this challenge:

- Review the valuation methodology used in the project area to determine whether the basis for compensation is market value or cadastral value and how these compare to replacement value, required under PR5
- Discuss the valuation methodologies and their application with valuers operating in or near the project area
- For valuation of land where markets are not active or market data is limited, consider alternatives which can include:
 - The “income capitalisation” method of valuation, which converts the income of a property into an estimate of its value. This should be based on the “highest and best” use for the land rather than its current use on the valuation date. This method better reflects market value because a prudent buyer would put the land to its best use and manage it for highest yielding production
 - Replacement cost method, where the value of the property is determined by the costs of constructing a new structure of the same size and features in a new location, including building materials and costs of labour. In applying this method of valuation, depreciation of structures and assets should not be taken into account.

- Consider providing replacement housing for those who want to stay in the project area. If available, the client can identify and propose replacement houses of the same (or improved) size and quality in a nearby location. If no such houses are available and affected people chose to receive cash compensation, replacement value should be calculated using the replacement cost method (without depreciation) so affected people can construct a new house of the same size and quality in a nearby location
- Test a variety of valuation approaches to determine which is most beneficial for the affected people
- Disclose the Guide for Land Acquisition and Compensation (see GPN 6) with proposed rates for land and assets in a given area (or where rates are derived from) and consult affected landowners and users on them. Take into account any documented feedback and adjust rates of compensation where warranted. For example, if the prices used by the client for construction materials do not correspond to those in local shops, adjust rates accordingly
- Ensure that owners of land and assets are present during the valuation of their properties and that they receive valuation reports, so that they can assist the valuers and have the chance to speak to them if they do not agree with the reports
- Always consider the possibility of providing replacement land and assets in kind, rather than cash compensation.

Case study

On a mining project in Serbia, the market for formal houses in the affected rural area was not very active and low demand meant the value of structures was particularly low and informal housing even lower. The client decided that the full replacement cost for all structures (formal and informal) would be calculated using the replacement cost method (the costs of materials and labour), which would be more favourable for owners. Depreciation was also not used in the calculation of compensation, which meant owners were able to construct new houses of the same size and quality in a nearby location.

4.3.3 Replacement value of informal structures

Informal structures are those that have been built by people without construction permits and/or any other necessary official permission. In many countries, the existence of such structures is widespread and very often they are not subject to any compensation under national legislation if land they occupy is compulsorily acquired.

A specific subgroup of informal structures is those which would not satisfy basic construction and safety standards (for example, houses in informal slum settlements built from cardboard and with makeshift and illegal electricity connections). Such houses are usually completely outside of national legal frameworks and thus their owners are not entitled to any compensation (see GPN 1). PR5, however, requires they are provided with replacement housing with security of tenure and that they are not left worse off as a result of resettlement. In fact, this should be seen as a development opportunity to enable them to improve their living conditions and standards of living.

Housing that can be easily constructed using informal materials can be one way for people to live in an area where they have no other means of accommodation. This highlights the importance of clearly **announcing the cut-off date** as the announcement of a project can sometimes encourage an influx of people to move to the project area in the hope of securing compensation or employment. However, it should never be assumed that informal housing is being used to unfairly seek compensation. Some communities live for many years in informal settlements and are particularly vulnerable to projects which change their access to land and livelihood. Under PR5, any informal housing in place at the time of the census should be recorded and the occupants and users included as eligible for compensation and other mitigation measures. Those who are not recorded in the census before the cut-off date are not eligible for any compensation.

Good practice examples to overcome this challenge:

- If national legislation allows for the legalisation of informal residential structures, assist affected owners of such structures to legalise them before land acquisition so they can receive adequate compensation at full replacement cost
- If such legislation does not exist or cannot be applied, use the replacement cost method to calculate the construction value of informal residential and non-residential structures. Provide owners of informal residential structures (particularly if they are vulnerable, see Part A, section 4) with assistance to obtain necessary permits to construct new structures in another location. Such new structures will be formal and therefore have a higher value, providing affected people with security of tenure
- If the informal residential structures have no monetary value and cannot be compensated, provide household members residing in them with replacement housing with security of tenure (see GPN 5). Types of available replacement housing will vary from country to country (sometimes within the country) and may include low rent social apartments in urban areas or houses in rural villages which can be bought for very low amounts as there is little demand for them on the market. If affected people own land, they can also be provided with construction materials to build new registered houses

- Consult with affected households to understand their needs. Community networks can be very important amongst informal settlements, which should be taken into consideration when designing replacement housing
- Be creative. Consider providing basic replacement housing but enabling individual households to customise their property by re-using existing building materials or provide an allowance for materials over and above compensation values.

4.3.4 Compensation for partial loss of land or access

Linear projects – such as construction of roads or widening of existing roads, railways, pipelines or irrigation channels – can require the acquisition of only part of a land plot. In some cases, this will have minimal impact but in others the remaining land can become unusable (often referred to as “orphan” land) or severely depreciate in value. For example, the owner of a piece of agricultural land is left with an area too small to cultivate existing crops and therefore earns a lower income. In this case, the client should make provisions for acquiring the entire plot.

Good practice examples to overcome this challenge:

- Determine whether national legislation requires compensation to be provided for orphan land (see GPN 1)
- Analyse the project footprint to establish where land plots are being severed and determine if there are ways of altering this to minimise impacts, such as by following the edges of land plots. Care should be taken to avoid features that enable the remaining plot to be viable, such as any water sources or access
- Where the remaining land is left economically unviable or where the form (shape of the land or topography) is such that it cannot be physically accessed or cultivated, the landowner should be offered the option of the project purchasing the entire land parcel
- Any limitations on how land can be used should be included within the valuation process. For example, overhead electricity lines often limit the height of trees that can be planted while pipelines may limit the depth of any replanting after construction. Livelihood impacts should be considered as part of any compensation or replacement measures
- If there is a dispute in relation to the economic viability of the remaining land plot, a certified valuer should be engaged to assess this
- Where the remaining portion of land is retained by the landowner, there may be a need to create new access, demarcate and fence the land and to reconfigure and reconstruct irrigation and drainage systems. All these costs must be met by the project.

4.3.5 Timing of asset inventory and valuation

It is important to set a cut-off date for determining the eligibility of assets to be compensated for the project (see GPN 7). This is usually the date when the asset inventory is undertaken, which means that any new assets installed in the project area after that date will not be compensated.

However, if the asset inventory is done too early in the resettlement planning process, or implementation is significantly delayed, affected people could be negatively impacted. For example, affected people may not proceed with renovations or repairs to their houses after the asset valuation for fear that they will not be compensated for their investments. If the period of time between inventory and compensation is several years, their living conditions could significantly deteriorate. If compensation is significantly delayed, the amounts may no longer represent replacement value as a result of changes in market conditions and values or inflation.

It is also possible for trees, high value crops or even structures to be installed after the asset inventory cut-off date in an attempt to fraudulently claim extra compensation. Unless the client has good records of the property condition at the time of the inventory, claims like this can be surprisingly difficult to refute.

Good practice examples to overcome this challenge:

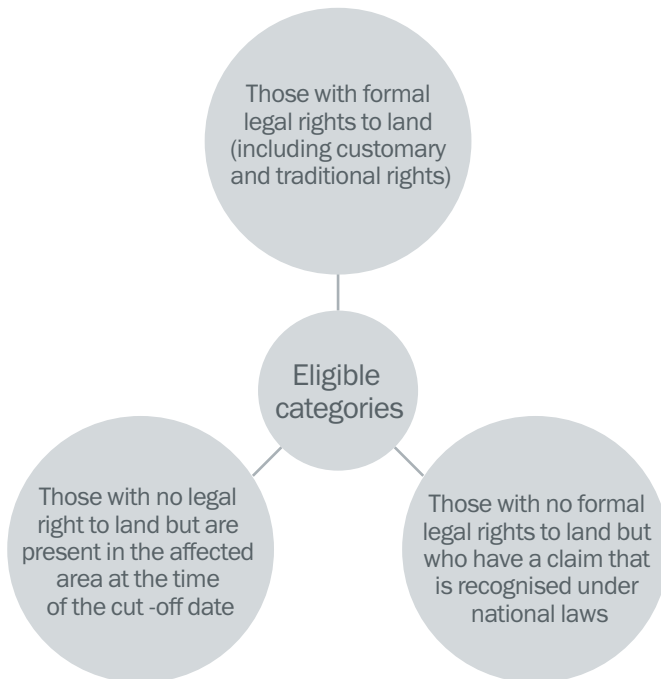
- Conducting the census (see GPN 2) and asset inventory simultaneously can not only be cost effective but the cut-off date for eligibility of people, households and businesses and their affected assets will be the same, saving time and making the process simpler
- If implementation of resettlement is delayed, affected people/ households and businesses should be allowed to make necessary improvements to their properties so that their living standards do not deteriorate. A timely and transparent procedure should be put in place so that affected people can notify the client of planned improvements. If approved, they should be included in the asset valuation and compensated
- Use up-to-date low level orthophotos or satellite imagery to make preliminary measurements of crop areas and trees. Verify these in the field with the affected people
- Wherever possible, have aerial photography taken of the project area as close to the cut-off date as possible. This will help exclude claims by those who build structures or plant trees or crops after the cut-off date for the purposes of fraudulently obtaining compensation
- If implementation is delayed, the valuation of assets should be done (or re-done) prior to execution of compensation to ensure that replacement value has been achieved.

5 Defining eligibility for compensation and/or assistance

5.1 Who is eligible?

There are three basic categories of affected people who are eligible for compensation and/or assistance, as defined by PR5 and presented in Figure 5.1 below.

Figure 5.1. Categories of affected people eligible for compensation and assistance



5.2 What is the purpose of defining eligibility?

The purpose of defining eligibility is to ensure that all people/households/businesses who will suffer losses as a result of the project's land acquisition receive compensation and/or assistance to offset these losses and restore (or improve) their livelihoods and standard of living to pre-displacement levels. No one should be left worse off after displacement.

Eligibility is based on being affected in a particular way. For example, some households will be affected because their land will be acquired for a project, whereas other households will temporarily lose access to land they use (such as for agriculture) which might affect their income in the short term. It is important to define both so that there is transparency about how a household's compensation package is defined and why some households or individuals will be eligible for particular types of compensation and others will not.

Defining eligibility also serves to ensure that the client is protected against opportunistic settlers who encroach on the project area with the aim of gaining resettlement benefits. The date after which anyone who moves into the project area is no longer eligible for compensation and/or assistance is called the **cut-off date** and is defined by national legislation or set by the project, usually the date of the census.

Setting transparent and adequate eligibility criteria will prevent conflicts among people present in the project area, as well as preventing opportunistic settlers encroaching on the project area unjustly receiving resettlement benefits.

Defining eligibility enables the client to determine the number of affected people/households/businesses per category and calculate the costs of compensation and assistance. During implementation, the client will know who has a right to what compensation and assistance during implementation and will be able to implement individual compensation and assistance packages.

5.3 Common challenges

5.3.1 Partial displacement or dislocation

All people residing on land that will be permanently acquired or cleared for the project will be physically displaced. This also includes people located within safety protection zones or buffer zones defined by national and/or international regulations. Therefore, determining who is eligible for compensation and/or assistance is usually straightforward.

Although PR5 requires resettlement to be avoided or minimised, there are situations or projects where part of the affected land is not needed but the project can still have serious impacts on the standard of living and livelihoods of people living on or using the remaining land. These impacts could be social, economic, safety-related or simply a matter of ease of access. For instance, when land plots are small, farmers may be pooling resources to mechanically plough or harvest the land and this becomes impossible after neighbouring plots have been acquired and are no longer used in the same way. In such cases, a project should consider acquiring all indirectly affected land and assets and resettle all affected people living in the community.

Good practice examples to overcome this challenge:

- Determine how those who are not to be resettled could be impacted. Use the results of the socio-economic survey or other social assessment tools to understand impacts and take into account the nature of the community, access to markets, economic and social dependency
- It is extremely important to consult members of the affected community, both those who are planned for physical or economic displacement and those who are not
- If resettlement of part of an area will negatively impact those remaining in the area for social, economic or other reasons, resettling the whole community may be justified
- With assistance from safety experts, identify if there are risks involved in allowing people to continue to occupy or work in areas near construction sites or future facilities associated with the project. If such risks are identified, define which houses/structures have to be acquired or demolished and add people occupying them to lists of those who will be physically or economically displaced.

Case study

On a road project in Serbia, the project footprint included the road but also a safety zone which would be used during construction for movement of machines and later would continue to be an operational safety zone in which no structures could be constructed. Some 100 Roma households were located in the directly affected area and were deemed eligible for compensation. However, an additional six households were located outside of the safety zone and were not included as eligible by local authorities. Resettlement planners raised concerns over their safety and well-being and the census revealed that these households had strong family and social ties with those being relocated and as a result they were included within the resettlement programme.

5.3.2 Economic displacement

Determining economic displacement is often much more challenging than physical displacement. PR5 defines economic displacement as loss of assets (including land) or access to assets that leads to loss of income sources or means of livelihood (whether permanent or temporary) as a result of project-related land acquisition or restriction of access to natural resources. Examples of sources of income/livelihoods are presented in GPN 8.

However, the fact that someone's land and/or other assets are not being acquired for the project does not mean that economic displacement will not be suffered as a result. If people will no longer have access to certain land, assets (including natural resources) or businesses from which they derive their incomes/livelihoods, this would constitute economic displacement as well.

“ My shop for making headstones is next to the local cemetery which will be moved to make way for an open pit mine. A new cemetery will be built but it's going to be moved to the other side of the city. I would like to open a new shop so that we can be close to the cemetery but I don't have the money to do this. This has been my family's bread and butter for generations and our plan was for my youngest son to take over in a few years after he learns the business from me. Without the cemetery, I will go out of business. I am already feeling the consequences as people know the cemetery will be moved and are going to other cemeteries or putting up temporary headstones until the graves are moved to the new cemetery. If I don't find a solution soon, they may as well just transfer me straight to the cemetery too.”

Claudiu, 64

Good practice examples to overcome this challenge:

- Ensure all alternative project locations or changes in design have been considered in order to avoid or reduce economic displacement of the community
- Analyse land use in the affected area or use the socio-economic survey to determine if people are deriving their livelihoods from the affected land or land to which access may be made impossible or more difficult. If people are using it they will be entitled to compensation and/or assistance. This will vary depending on how much they depend on this land for their livelihood
- Use the socio-economic survey or other social impact assessment tools (community meetings or focus groups) to determine if the land and/or assets being acquired for the project are the only source of income or livelihood for people/businesses. If not, determine what percentage of the total household/business income is derived from the affected area/asset. Ensure affected people/households have listed all sources of income
- Consult with the community as to the potential economic displacement and possible solutions
- Consider measures for avoiding or reducing economic displacement of the community, such as carrying out construction at a time of year when economic activities would not be impacted.

5.3.3 Lost or informal land records

Where land records are inaccurate or incomplete, it may be difficult to determine owners and/or users of affected land which can influence who will be compensated for land or improvements on land, and can cause various degrees of economic displacement (see also GPN 2.3.1). For example, people may have been using land (and are dependent on it) in a certain area for generations as if it were formally their own land, however for various reasons they lack the documentation to prove their status, whether because they have never been given the formal title or because documents were lost. Both the owners and users of land are eligible for compensation and/or assistance but their entitlements (see GPN 7) may be different.

In most cases, national legislation accounts for such cases and has procedures in place for resolving property issues through the court system. However, such procedures are often lengthy, the authorities in charge of processing them sometimes lack capacity for this task and sometimes although it is recognised that even those who have been using land informally should be compensated with, for example, replacement land, such land or funds for compensation are not available. The livelihoods of those who are using the land can be severely impacted while they wait for national procedures to recognise their rights to be able to claim compensation.

Good practice examples to overcome this challenge:

- Identify all people who are affected in this way through the census and survey
- Analyse how land records are updated/corrected under national legislation and whether this process would be appropriate for fulfilling the objectives of PR5, including the typical length of time which is required for ownership issues to be resolved and the realistic availability of funds/land for compensation
- Analyse the potential for speeding up the process of resolving ownership issues, for example by providing authorities in charge of processing these issues with additional human resources
- Hire consultants (legal experts) to assist in collecting the required documentation and preparing it for the authorities to process
- Hire an independent third party to verify ownership and use of land
- Involve local authorities and representatives of affected people in the process of verifying ownership and use.

5.3.4 Setting the cut-off date for eligibility

Eligibility for persons who have formal legal rights to the affected buildings or land, as well as those who have a claim to land that is recognised or recognisable under national laws, is usually determined through land registries or a variety of ownership documents or other records.

It can be more challenging to identify persons who have no recognisable legal right or claim to the buildings or land they occupy but are present in the affected area, sometimes only seasonally, and are therefore eligible for compensation. A cut-off date for eligibility for compensation and/or assistance has to be determined to prevent new people from moving into the area, particularly opportunistic squatters wishing to gain resettlement benefits, and halt any new property or land transactions affecting the resettlement process. This date may be set by some national regulations. If not, it has to be set by the client. Announcing the census and informing affected people that the census will be the cut-off date for eligibility is the preferred course of action.

Clients should be aware that announcing the cut-off date can result in opportunistic behaviour – such as squatters moving into the area, transplanting of trees/vegetation, digging a new well – in the hope of receiving compensation. In urban slum settlements, for example, a house made of cardboard, wood and waste can be erected in less than a few hours in the project affected area if opportunistic squatters discover they could gain resettlement benefits in this way.

There is also the possibility that some persons may effectively reside in or otherwise use land in the affected area but will not be present at the time of the cut-off date. For example, a household (or a member of a household) is temporarily absent at the time of the census. This situation could also occur when people use the affected resources on a seasonal basis.

Good practice examples to overcome this challenge:

- Ideally, the cut-off date should be established early in the resettlement process, preventing opportunistic squatters from moving into the affected area. However, if this date is established too far in advance of resettlement implementation, other problems could arise (see GPN 2.3.4)
- Organise the census and cut-off date at a time when seasonal users are present in the affected area
- If there is potential for an influx of people to the project area after the census and cut-off dates are announced, organise the whole activity in the shortest possible timeframe and secure the project-affected area. This will require careful planning and execution, including communication within the project team and affected households
- A grievance mechanism must be in place at the time of the census to allow for the possibility of any errors or omissions. Allow people to raise eligibility issues and have them resolved as early as possible. In the early stages, grievances are likely to relate to inclusion in the census; in later stages, complaints may relate to valuation amounts, compensation measures and lack of support
- Document the existence of all structures (even empty ones) in the affected area with photographs so that possible grievances from people who claim they are residing in the affected area but were temporarily absent can be investigated.

Case study

On a road project in Serbia, an informal Roma settlement on public land needed to be relocated. There was concern that announcing the census and cut-off date would encourage an influx of people into the project area. A public meeting was held in the immediate vicinity of the settlement where the project, as well as the census and the cut-off date, was presented. People were asked to go back to their houses after the meeting to wait for the census teams to record them. At the same time, project geo-surveyors marked the footprint of the road and census teams walked the area, recording every structure (including photos) and household members residing in each structure. Affected people were told that they would be eligible for assistance and that a more detailed socio-economic survey would be undertaken in seven days. A few houses were empty at the time of the census. A household who resided in one of these houses submitted a grievance for not being included in the census and was later determined by the client to be eligible for resettlement into a social apartment.

5.3.5 Identifying informal users of affected properties

Providing compensation for people/households who are using land and/or structures informally (that is to say, without a legal basis) is often one of the most challenging aspects of implementing PR5. These people are sometimes extremely vulnerable and taking away their means of subsistence or accommodation can be hugely detrimental.

PR5 does not require that these people are compensated for land or dwellings which they do not own, but they are entitled to compensation for any improvements they made to the land (crops, structures) as well as resettlement/livelihood restoration assistance, which could include resettlement to social housing under low rent conditions.

National legislation sometimes does not make provision for compensation of assets belonging to this category of people but often allows assistance to be provided to them, particularly when they are vulnerable. Such assistance may still need to be complemented with appropriate compensation to meet PR5 objectives.

Good practice examples to overcome this challenge:

- Record affected people (including those who are informally using properties in the project footprint) through a census (GPN 2) and set a cut-off date for eligibility to identify people/households who were using land before the project and will be impacted by it and to rule out opportunistic squatters who move into the project area to gain benefits
- Through stakeholder engagement (GPN 6) activities and the socio-economic survey (GPN 3), identify the reason(s) why people occupied land informally, whether they are dependent on it for their livelihood and what kind of assistance they need to mitigate project impacts on them
- As these people are often poor and vulnerable, determine what types of assistance can be provided to them under the national legal framework (see GPN 1) such as social housing, welfare benefits or assistance to find employment, training and so on.

5.3.6 Eligibility claims after the cut-off date

While the cut-off date generally determines eligibility, if people are not present for the census, there needs to be a process to determine their eligibility after this time. This should include defining when eligibility ends.

In most EBRD countries of operations, formal property rights are protected and compensation for those not included in the census (absent landowners and so on) is deposited in a trust account and available for the absent owners whenever they are found. However, it is still important to define when eligibility ends as failure to do so can cause difficulties when dealing with persons who have no recognisable legal right or claim to the land they occupy. For example, an affected person may leave the project area before resettlement begins without informing the client of whether their move is permanent or temporary, and then come back long after resettlement has been completed to claim their entitlements, by which time the client may have removed



their eligibility status. This can have significant implications for resettlement planning and budgeting.

Good practice examples to overcome this challenge:

- The census should not be done too much in advance of implementation of resettlement (see GPN 2.3.4). The longer the period between the census and implementation, the more likely that affected people will have made changes in their households or perhaps even moved from the area
- Ensure the affected people are made aware of their obligation to inform the client if they choose to leave the project-affected area and for how long
- Define and transparently disclose how long an undeclared absence will be tolerated and eligibility preserved, as well as measures to inform those who are absent that the deadline for losing eligibility is approaching
- Measures for warning absent affected people/households that they may lose eligibility can include: attempting to reach project-affected people by telephone; putting up official notices on affected houses; and informing other affected households at meetings so that they may pass on the information to those who are faced with the possibility of losing eligibility.

6 Stakeholder engagement

6.1 Stakeholder engagement in the context of resettlement

Stakeholder engagement is an essential part of resettlement planning and implementation. The ESP (2014) includes a number of provisions on stakeholder engagement and has a specific performance requirement for stakeholder engagement (PR10: Information disclosure and stakeholder engagement) which applies to all projects. This section focuses on the main issues and challenges directly in relation to resettlement.

There are a variety of activities aimed at informing and consulting stakeholders on issues in relation to land acquisition and physical and economic displacement.



The most important stakeholder in the process is the affected community. They need to be involved in all phases of resettlement planning and implementation.

Engagement activities vary greatly from project to project but they usually include public disclosure of information and documents as well as some form of meeting or interviews (public meetings, focus groups, household surveys or similar).

An integral part of stakeholder engagement is establishing an efficient project grievance mechanism for affected people to communicate their complaints. These should be officially recorded, acknowledged and responded to by the client in a timely and transparent manner with a documented appeal process.

Stakeholder engagement involves interacting with a variety of people and requires a great deal of patience, understanding and efficiency. It is necessary to define the key stakeholders at the outset of a project to identify those who can assist with resettlement planning and implementation, and those who may slow the process down.

Figure 6.1. Common stakeholder groups



6.2 What is the purpose of stakeholder engagement?

The main purpose of stakeholder engagement is to provide adequate and credible information about impacts and options, take into account the views of various parties involved and develop positive outcomes from the resettlement process. To achieve this, consultation needs to be at the heart of the resettlement/livelihood restoration plans. By providing transparent information about the project, its benefits and potential impacts, stakeholder engagement is a valuable tool for:

- Providing information on a project and its impacts, which can assist in building trust and limiting the effect of misinformation and rumours
- Hearing directly from affected and host communities about their perceptions of impacts and possible mitigation measures
- Managing unrealistic expectations
- Managing intra/inter-community issues such as rumours, speculation, suspicion, conflicts and jealousy
- Ensuring people know their rights and entitlements and how to submit grievances/complaints.

Ultimately, good resettlement outcomes are only possible when planning is focused on meeting the needs of the affected community. Otherwise, affected people may refuse to participate in implementation of the plan which is then delayed, or even blocked, raising the overall costs.



A genuine and transparent stakeholder engagement process, which is respected by the affected community, is the only way to ensure that concerns can be met, opportunities can be maximised and projects can deliver beneficial and appropriate mitigation.

6.3 Common challenges

6.3.1 When to start stakeholder engagement

Stakeholder engagement should begin as early as possible in the resettlement planning process. Rumours will emerge when information is not provided and this is difficult and resource-intensive to address in the long term.

However, in practice, project clients often have concerns that, if information is disclosed early, people's expectations will be raised and therefore they may avoid engaging with affected people and other stakeholders until the final design has been completed and land acquisition begins.

Conversely, some clients may rush to carry out consultation activities without considering the impact of the process on affected people or without any concrete information to share. Both scenarios can lead to unintended and unfavourable outcomes (see Figure 6.2), which is why a balanced approach is needed.

“A few months ago we organised a consultation meeting with the affected people from the informal settlement. We explained that we were offering a choice of two resettlement locations. The following day, Tahir and his wife came to my office and informed me that they decided to move to location A and I made a note of their choice.

Soon after, reports from monitoring NGOs came out, suggesting that people still did not know to which location they would be resettled, citing Tahir's household as being one of these. Sure enough, within the hour, my boss called me to say that the EBRD was unhappy with these reports and they wanted to visit the settlement to speak to people. I met with the resettlement expert from the Bank and explained that we did everything right, after which we went to see Tahir to find out why he was unsure of his resettlement location when he had confirmed his choice to me.

We called him to come out in front of his house, where all the neighbours were already lined up. Tahir insisted that he did not know to which location he was going and the Bank resettlement expert just looked at me with disbelief. I realised that it was my word against his and I had no proof that his household had chosen location A. I knew this was not good. We started to walk off and as we turned the corner, Tahir caught up to us, barely able to speak from how fast he ran. Alone with us, he admitted that he did not want his neighbours to know he was going to location A, because he wanted to be resettled as far away from some of them as possible. I was relieved that the truth came out, but the experience made me realise I needed to think harder about the way people are approached, what questions they are asked and how their answers are documented.”

Alexander, client's resettlement liaison officer

Figure 6.2. Common consultation mistakes



Good practice examples to overcome this challenge:

- Engage with key stakeholders, including affected people, **as early as possible**, no later than during the project design phase, so that impacts can be predicted and possibly avoided
- Even if all project elements are unknown, it can be useful to provide general information such as project timelines and future dates where updates will be possible. Timing of consultation activities can also be shared. Avoid focusing on specific entitlements
- Disclose large-scale maps of the generally affected area or maps which show the project corridor (for linear projects)
- Be very open when presenting uncertainties in relation to the project, particularly timelines, to prevent people from expecting that they will be resettled or their land and assets will be acquired very soon. Assure the community they will be regularly informed as project plans progress and make sure that this commitment is followed through
- Inform people how and where they can obtain appropriate and up-to-date information (websites, bulletin boards, social media, contact persons) and how complaints will be handled
- Hold consultation meetings when there is any new, concrete and relevant information that can be provided to affected people. Keep an eye on the volume of feedback received through the grievance mechanism, as this can sometimes indicate a need for additional consultations. If many people are asking the same questions or making the same comments, then a meeting may be beneficial

- Be as transparent as possible. If answers to stakeholder questions are unknown, or if people have unrealistic expectations, tell them so openly. Changes in plans and schedules may cause discontent and opposition but in the long run most people will appreciate the honesty
- Stakeholder engagement must continue throughout resettlement planning and implementation to address issues as they arise, adapt measures if they are not producing results, and ensure stakeholders are supporting the project.

6.3.2 Two-way communication

National legislation often requires some form of consultation with stakeholders during resettlement, including legal redress, but this is sometimes interpreted as public presentation and disclosure of final documents, and comments from stakeholders are also sometimes treated as a formality.

People whose property or livelihood may be affected by a project have personal, financial, emotional and sometimes cultural ties to their homes and properties. Experience shows that people are more willing to go along with the outcome of a process if they feel it was fair and their comments were taken into account.



Not only will people feel better about their opinions being considered in resettlement planning but, in some instances, feedback received from stakeholders can provide better solutions which originally may not have even been considered by the project client.

Case study

Bad practice

Affected people were in inappropriate temporary accommodation for years due to delays in the provision of appropriate housing and the client felt the need to continually be in contact with them. Consultation meetings were held regularly, however the only information being provided was that there was no new information. This led to a great deal of frustration for the affected people, who felt their time was being wasted.

Good practice

Affected people were still living in the informal settlement, waiting to move to social apartments. Although the provision of social apartments was delayed, the client held meetings to inform them about assistance (firewood, hygienic parcels, food) they would be getting while waiting for resettlement. Representatives of various departments regularly visited to determine which personal documents affected people had (and which ones would need to be issued upon resettlement), to carry out health examinations, to perform settlement cleaning, and so on.

- Analyse any grievances you receive as they provide excellent feedback on the process. Are people lacking information? Are consultations needed? Are the measures producing desired outcomes? Grievances can also be useful in highlighting new issues that emerge during the process, enabling them to be resolved at an early stage
- Ensure all feedback received is answered in a transparent manner, and either incorporate the feedback into the relevant plan or keep a record of receipt with the reasoning behind the decision not to incorporate it. For example, you could create a table of comments and suggestions received on a particular document and provide answers next to all comments (which can be combined if similar). Such a table should be publicly disclosed together with the final versions of the documents.

Case study

On a road project in Bosnia and Herzegovina, after the disclosure of the proposed project footprint, residents of a small village, famous for being an artist colony, reacted to the information and requested a change in the design of the road because of visual impact. A viaduct was to be constructed which would significantly change the landscape, often painted by artists. The project client altered the project design and moved the road and bridge to behind the village, where it would not be seen.

Good practice examples to overcome this challenge:

- As a priority, ensure that affected people and other stakeholders are informed about how and where all relevant land acquisition and resettlement information is regularly disclosed, what upcoming consultations are planned and details for the grievance mechanism. It is important to note that the host community's method of notification and consultation may be different than the people being relocated
- Keep in regular contact with affected people and other stakeholders, particularly as new information becomes available, if there are changes in the project, or if new issues arise
- Ensure consultation activities are accessible to all affected people, including any vulnerable groups, so they can provide feedback. Resettlement involves families, including women, children, those less articulate or wealthy, and the elderly – all voices which should be represented in the consultation – so ensure the activities are announced in a timely manner and that the times and locations are convenient, being prepared to offer alternatives if necessary



It is extremely important to present issues (verbally and in writing) to stakeholders in their own language and using ordinary everyday terminology.

6.3.3 Getting the right people to manage engagement

Sometimes project clients believe that by engaging consultants or a third party to handle resettlement planning, their engagement with stakeholders, particularly participation in consultations, is not needed. The reasons behind this are sometimes purely administrative and they only engage at the end of the process as required by law, or sometimes it can be fear of negative reactions from affected people.

While the use of experienced consultants in resettlement planning is often necessary, their role in stakeholder engagement can be to facilitate and organise the process rather than own the relationship with affected communities.

Participation of the project client in all stakeholder engagement activities is crucial, not only to ensure proper information flow and that the client will fulfil their project responsibilities, but also in establishing trust and ensuring sustainability beyond consultant or third party involvement.



Ongoing client involvement is essential in order to build trust, hear feedback directly and maintain continuity throughout planning and implementation.

Regardless of who has the responsibility for the implementation of stakeholder engagement, many things can go wrong if the people involved lack the skills, project knowledge or credibility.

Good practice examples to overcome this challenge:

- Designate one or more people with appropriate communication skills and local knowledge to be in charge of stakeholder engagement
- If more than one person is engaging with various stakeholders, coordination is crucial to ensure information is correct and messages are consistent
- It can be beneficial to involve respected and trusted third parties (local NGOs, prominent local people, mediators or consultants) in the process. It is important that both the stakeholders and project client feel comfortable with the choice of these individuals
- If involving neutral third parties, clear roles and responsibilities must be established. Ensure they are provided with background information about the project and earlier consultations.

Case study

On a project in the Western Balkans, a consultant was selected to support the project client in assisting affected people. This consultant also worked for a human rights organisation which was active in criticising the project client for omissions and mistakes in resettlement implementation. Unfortunately, instead of facilitating communication and cooperation between the project client and the affected people, the consultant exacerbated conflicts by falsely presenting affected people's wishes and concerns, pushing the organisation's own agenda and even giving out statements against the project client to the media. Affected people were confused and angry, and no progress was made until the consultant was replaced.

6.3.4 Managing rumours and misinformation

It is very important to remember the emotional component of the resettlement and livelihood restoration process. The possibility of being forced from your home or job is stressful and often invokes fear and anxiety in the community involved. Resettlement may mean losing touch with important community support or being in proximity to new people. In addition, implementation of projects affects very diverse groups of people who may react to resettlement in very different ways.



Misunderstandings, fear, individual interests and even provision of wrong information from those who are against the project can lead to the quick spreading of rumours, creating problems for both affected people and the client.

Good practice examples to overcome this challenge:

- Have honest, continuous and direct communication with affected people. Do not rely on a single method of communication
- The project client should assign one or more contact persons for specific communities whose phone numbers will be available, if necessary outside of usual working hours. For some communities, where telephones are not the main means of communication, alternatives should be planned such as opening up an information centre, providing information on community boards, communication through a local person who will have access to the client by phone, and so on. Where appropriate, it may be useful to consider using social media as a way of reaching certain groups (such as youths) who may not otherwise participate
- Only accurate and confirmed information should be provided. When the answer is unknown, say so openly, with a commitment to find out the answer and report back at a later time
- The trust of affected people can only be gained by providing honest, timely and verified information over a period of time. When information has been disclosed, it is essential to provide updates if project decisions, timing or components change. Trust can be eroded rapidly by errors in information or miscommunication, or if what people see happening on the ground is different to what they were told.

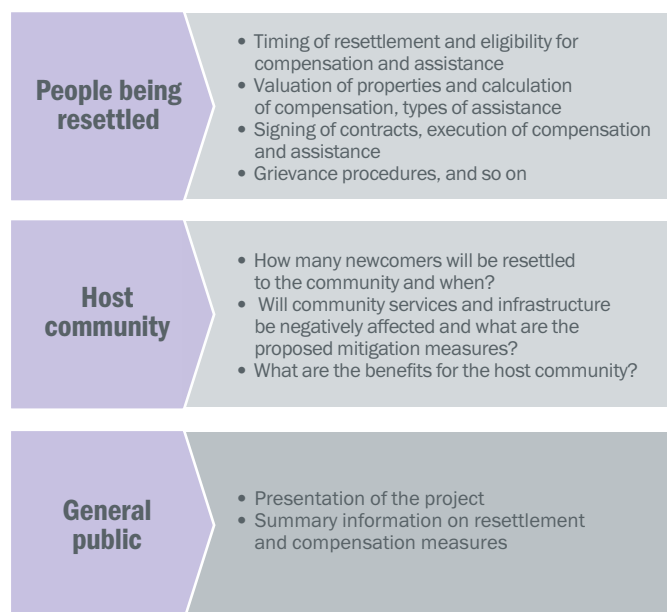
6.3.5 Managing reactions of the general public and host communities

Some local affected communities may be struggling with poor economic development and a low socio-economic status. In such situations, providing resettled people with benefits, especially those who may not be entitled to any under national legislation, can be very challenging.

It is common for the general public, usually nearby communities who are not affected by the project, to question the appropriateness of some assistance. For example, project-affected waste pickers may be prioritised for employment even though many people in the region are unemployed and looking for work.

Stakeholder engagement should be used to manage interactions with persons directly affected by resettlement and the host community, as well as with the general public. The way to manage information and gauge reactions is to have an appropriate approach for each of the groups and communication methods need to be tailored to their needs (see Figure 6.3).

Figure 6.3. Different types of information provided to different stakeholder groups



Good practice examples to overcome this challenge:

- There should be clear linkages between impacts and entitlements, and this should be clearly communicated. For example, clarify that residents of an informal settlement will be beneficiaries of social apartments that belong to the municipality, not owners of new apartments
- Provide assistance under the existing institutional and legal frameworks which are accessible to the general population – such as social welfare, training and employment through existing national employment agencies, adult education for those who dropped out of school and so on – to mitigate any perceptions that the affected people are gaining special benefits
- Build the capacity of institutions to provide support and improve services, not only for the affected population but for a wider beneficiary group, including host communities. This could appeal to decision-makers as they can show that the affected population is not being favoured and, more importantly, create sustainability of provision of services
- Engage with all stakeholders and share information as early as possible. Usually the earlier this process starts, the less resistance there will be by the time implementation begins
- If appropriate, consider providing benefits to nearby communities in addition to any necessary mitigation measures. For example, provide them with infrastructure improvements or other community investments

- If appropriate, for particularly sensitive projects, hire communication experts to develop and implement a strategy for communication with the general public.

6.3.6 Civil society criticism of resettlement

While not directly impacted by the project, civil society organisations often monitor resettlement planning and implementation in the interest of protecting affected people. If carried out well, this can be a great asset both for affected people and the project, as it can point out the problems which need to be addressed to ensure successful resettlement outcomes.

Unfortunately, some civil society groups or organisations generalise issues, do not verify information that they use as a basis for project criticism or provide misleading information to affected people. This can be as a result of poor cooperation with or inability to access information from the client.

Regardless of the cause, conflict with civil society can greatly disrupt resettlement implementation, particularly if it takes the focus away from problems which really need to be addressed.

Good practice examples to overcome this challenge:

- Engage with civil society at early planning stages to take into account their views and suggestions for avoidance/minimisation of resettlement and resettlement planning
- Throughout planning and implementation, share information with civil society transparently and discuss issues and challenges openly
- Ensure all stakeholders have access to information on the project – for example, via a specific website, neighbourhood bulletin board or other culturally appropriate means
- Invite civil society to attend public consultation meetings with affected people and any other relevant stakeholder activities
- Involve civil society in the implementation and/or monitoring of resettlement activities whenever possible
- Report regularly on the implementation of the stakeholder engagement plan, including the grievance mechanism. This will build transparency around the issues that are being raised by stakeholders and help to manage any perceptions of special treatment.

7 Entitlement measures

7.1 What are resettlement entitlement measures?

Eligible people, households and businesses recorded by the census are generally entitled to compensation and assistance (see Figure 7.1). Compensation can be monetary or in kind, such as replacement land or provision of access to alternative land for animal grazing, berry and mushroom picking, and so on.

Entitlements are defined for each individual project, depending on the categories of affected people/households/businesses and their losses. The unit of entitlement usually corresponds to the unit of loss – for example, the individual who loses his/her land and source of income is entitled to compensation and/or assistance; the household which loses its house is entitled (all individual members of the household) to compensation at replacement cost or provisions of alternative house or apartment and/or assistance; if a community loses a structure or asset built with community resources, the community is entitled to compensation (for example, a replacement community culture centre).

All this information is commonly presented in the form of an entitlements matrix (see Table 7.1), which is the heart of the resettlement/livelihood restoration plan and usually provides affected people and clients with information that interests them the most – who is entitled to what type of compensation and/or assistance. The full example entitlements matrix which can be used as a tool is available in Annex 3.

Figure 7.1. Three main entitlement components



Table 7.1. Part of a framework entitlements matrix for a road project

Type of loss/ impact	Category of PAP	Entitlements
Permanent loss of construction, agricultural, forest land and/or pastures Note: for users of land (formal and informal), this refers to access to privately owned land or public land/resources	Owner of land	Cash compensation at full replacement cost OR Replacement construction, agricultural, residential, forest land and/or pastures of a similar quality, size and location
	Formal user (tenant) of land	Notice of acquisition at least three months in advance of land entry to enable the tenant to find other land for lease
	Informal user of land	Assistance to identify replacement land/resources for use, prior to land entry
Loss of annual/perennial crops and trees	Owner of crops and trees (this could be owner of land or a user of land)	Cash compensation for lost annual/perennial crops or plants at full replacement cost
Loss of residential houses (physical displacement)	Owner of house	Resettlement assistance, including moving allowance or assistance to move AND, either Replacement residential structure of equal or higher value (with equivalent of better characteristics and advantages of location) OR Cash compensation at full replacement cost If the owner has no other place of residence and the value of the house is so low that the affected person and his/her household cannot resettle to adequate housing as required by the EBRD, the affected household shall be entitled to a choice of options for adequate housing with security of tenure (such as social housing)
	Formal user (tenant) of house	Notice of acquisition at least six months in advance of demolition to enable the tenant to find other accommodation AND Moving allowance or assistance to move
	Informal user of house	Resettlement assistance, including moving allowance or assistance to move AND If the user has no other place of residence, a choice of options for adequate housing with security of tenure (such as social housing)
Loss of business income and/or sources of livelihood associated with either of the above losses or other project impacts (economic displacement)	Owner (formal or informal business or economic activity)	Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities in another location) AND Livelihood restoration assistance in the form of: <ul style="list-style-type: none"> • Provision of machinery and equipment for improving farming • Provision of skills training • Access to jobs • Provision of personal documents • Provision of micro loans.

7.2 What is the purpose of entitlement measures?

Defining and providing appropriate entitlement measures serves a range of needs. It enables budget and resource planning, provides a clear plan of action for implementation and makes sure all losses are appropriately addressed.

The overarching goal is to offset all losses of eligible project-affected people, households and businesses and to restore their livelihoods and standards of living to pre-displacement levels so that they are not left worse off after displacement. This is likely to be the biggest concern of affected people.

Defining entitlement measures also serves to ensure that both the affected people and the client know who has a right to what compensation and assistance during implementation. This will enable the client to calculate the costs of land acquisition and resettlement, as well as implement individual compensation and assistance packages.

Setting fair, clear and transparent entitlements will prevent wrongful claims and conflicts among affected people. An incomplete or poorly designed entitlements matrix with imprecise measures can result in failure to fulfil PR5 requirements.

7.3 Common challenges

7.3.1 Defining appropriate measures

Resettlement is carried out in different countries with varying economic, cultural, religious and customary characteristics and with individuals who have different skills and aspirations. Imposing solutions without consultation or considering these factors can lead to poor results. Even with the best intentions, affected people can be worse off after resettlement if selected solutions are inappropriate. This is especially challenging in cases of resettlement to project-developed housing and defining options for livelihood restoration (see GPN 8).

Good practice examples to overcome this challenge:

- Do not presume to know what is best for affected people. Always ask for their views and consider them in developing entitlements and measures
- Ensure consultations take views of various groups of affected people into account (particularly in heterogeneous communities), as well as gender preferences (see Part A, section 4)

“ I was invited this morning to come to my neighbour’s house for another meeting to talk about resettlement. It seems that the government is finally building the hydropower plant everyone has been talking about since I was a child. I can’t say that we are not excited – we are – it’s just that I am also really worried. I don’t know much about the place I am going to. When that nice woman came to speak to us today, she hit a really sore spot. She started asking us about the place we are going to, do we like it, what will we do when we get there and so on. I wanted to scream at the top of my lungs “I DO NOT KNOW BECAUSE I HAVE NEVER BEEN THERE!” but I did not.

The men have been to see the new place , including my husband, but he is so difficult to talk to. Whenever I ask him about it he gets annoyed and yells at me, so I have stopped asking. I know from some of my friends that it is close to the city and that we will no longer have land there or be able to keep animals, which is all I have ever done and know how to do. Only God knows what will happen. The only relief I have is knowing that my friends and relatives will be with us, so we will all be in the same boat. I can only hope for the best.”

Samira, 28

- Consult people about their preferences for various aspects of resettlement. For example, if project-developed replacement housing is being provided, ask them about the design of the new houses. This will help define solutions such as whether to construct apartment buildings or individual housing units, whether to have separate entrances or shared hallways, and so on. Provide as much detail as possible to enable people to make decisions appropriate for their households. Limited consultation at this stage may mean that key issues for affected households are not identified, leading to expensive changes later in the process
- Identify resettlement locations which are best suited for the type of housing preferred by affected people (discussed above) and at the same time provide affected people with possibilities for livelihood restoration of their choice (see GPN 8)
- Ensure people have options for compensation and assistance, accounting for their differences in skills, education levels, experiences and aspirations. For example, some people may wish to receive cash compensation for their affected land so they can invest the money in a different income-earning activity while others may prefer to get replacement land and continue to derive their livelihoods in the same way as before displacement.

Case study

On a road project in Serbia, some affected people were employed in a state-owned textile company as a form of livelihood restoration. All of them worked only a few days and then stopped showing up. They were not used to formal employment and a daily obligation of getting up early, spending eight hours at work and being paid only once a month. This solution was obviously not adequate. The client worked further on developing individual solutions for each household through the provision of small grants for greenhouses, laying hens and agricultural machinery to enable them to earn a living in other ways.

7.3.2 Lack of adequate replacement land

Provision of replacement land is commonly seen as the best option when livelihoods are land-based and is also sometimes requested by affected people themselves. However, land of an equal and adequate quality may not be available for purchase or use in a nearby (or other acceptable) location or there may not be enough of it.

Good practice examples to overcome this challenge:

- The need for and availability of replacement land has to be considered carefully in the earliest phases of resettlement planning. Preferably, actual land parcels to be used as a replacement for acquired land should be identified by the client, taking into account the land quality, size and location
- If the quality of the available replacement land is not the same as the land lost but is still considered adequate, provide affected people with a larger parcel of such land to ensure yield is the same. This can also be supplemented with other assistance such as training, equipment and products to increase its productivity
- If no replacement land is available in the project area, provide the option of receiving land in other locations where acceptable land is available. Suitable alternative locations should be identified in consultation with affected households
- Provide affected people with training for other livelihood activities, such as animal keeping, which would require less land and assist them to start these activities. Adequate budget needs to be secured when such assistance is necessary
- Provide other options to project affected people, such as direct employment, vocational training, start-up grants or loans. Remember to think about other members of a household who may have not been engaged in agriculture before (see GPN 8).

Case study

On a hydro project in Tajikistan, some affected people being resettled to a nearby rural location where less arable land will be available are planning to undertake measures to increase agricultural production as well as to engage in animal keeping to replace their previous source of livelihood. They plan to continue producing food for household consumption and for sale and the client will provide assistance in the form of training (increasing agricultural production), assistance to access micro loans and agricultural equipment. This is the result of numerous consultations and finally an agreement between affected people and the client, documented in the livelihood restoration plan.

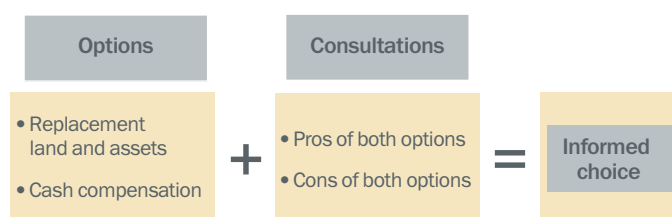
7.3.3 Provision of cash compensation

The EBRD and, very often, national legislation recommend provision of compensation in kind, rather than cash compensation. However, affected people usually prefer to get cash compensation for many different reasons, usually to retain control over the situation and avoid reliance on the client.

Providing cash compensation can be a positive measure if affected people have carefully considered all their options and have a clear and feasible plan for how they will spend it. Although the wishes and decisions of affected people have to be taken into account to the greatest extent possible, not all affected people will be well-versed in financial matters. Some may have addictions (drugs, gambling) and some may simply not be good with money. Cash compensation can also create conflicts among household members who may have different views on how compensation should be utilised.

If money is misspent, affected households could find themselves in a difficult position. There is also a risk that people could return to the affected area after they have spent their compensation, requesting more money from the client.

Figure 7.2. Steps to ensure that affected people make an informed choice



Good practice examples to overcome this challenge:

- Present both options (replacement land and assets or cash compensation) to affected people and the advantages and disadvantages of each (see Figure 7.2). For example, explain to people that if they accept cash compensation they will have full responsibility for finding appropriate land/accommodation

for themselves and relocating by a certain date, when the client will access the land. They will need to spend time doing this (time off work to search for land or a house) as well as resources (travel costs, labour for construction works) and if they do not find/construct anything appropriate by the given deadline, they will still have to move. On the other hand, if they opt for replacement land/assets, the client will have responsibility for finding this land/replacing these assets (providing houses) and will invest in resources for doing so. The client will not be able to access the land until replacement land/assets are provided. Clearly present all forms of assistance that the client can provide to affected people after resettlement, depending on the types of compensation they choose. For example, if replacement housing is chosen, the client will be able to help with organising the residency registration process, whereas if cash compensation is chosen, the affected person will have to organise this by themselves

- If necessary, bring in experts to help people consider the feasibility of their plans with cash compensation such as professional career or development experts, real estate advisers and psychologists. Individual financial counselling may also assist households to make informed choices
- If possible, provide compensation in instalments – for example, in line with progress of construction of a new house – to help affected people manage their budgets. This is usually not their preferred option but, if discussed with affected people at great length, some could see the benefits of accepting such an approach. If instalments are being provided, it is of vital importance that the client ensures that all payments are made exactly as agreed, with no delays

Case study

On a road project in Serbia, affected people who were informally occupying public land in the city were provided with an initial cash payment to be used for (re)construction of their houses in their place of origin. Most of the affected people did not use this money for that purpose, as they had other priorities. For example, one affected person used the money to pay off debts and pay a lawyer to assist him to get out of serving prison time to live in the informal settlement. As it became clear housing was not being constructed, the client changed the compensation strategy and began paying directly for construction works to repair and construct houses in their place of origin.

- Try to involve the whole household in making the decision on compensation, rather than having only the head of the household deciding. This is particularly important in communities where women have fewer options to participate. Approach the issue with great care and engage a gender expert to assist in this process (see Part A, section 4)
- Document the whole process to demonstrate all efforts that have been undertaken to ensure affected people are making informed choices.

7.3.4 Timing of compensation and assistance

Compensation should be executed prior to displacement to enable people to replace their affected land and assets before moving on. Assistance should also be provided as soon as possible. However, it is generally recognised that livelihood restoration can continue well beyond physical displacement.

In contrast to PR5 requirements, national legislation will often enable clients to access land and properties before compensation has been executed to avoid delays in the start of construction. When this happens, affected people can be physically and/or economically displaced before they are able to replace their affected land and assets and restore their sources of income/livelihood, which has the potential to cause homelessness, job losses and impoverishment.


Good practice examples to overcome this challenge:

- Provide compensation and assistance before displacement, with assistance continuing after displacement until the objective of restoring livelihoods and standards of living has been achieved
- If appropriate, separate compensation for different assets to enable the execution of non-disputed compensation amounts. For example, if the affected person is disputing compensation for the house but not for the land and crops, enable the payment of the undisputed part of compensation to allow the affected person to bridge the gap until compensation has been fully agreed and executed
- Consider the possibility of executing compensation in the amount that has been designated by the administrative authority, while any additional compensation, as ruled by the court, would be executed at a later time. As with the above, this may not always be appropriate, but it can also be positive for affected people if they are assisted to make the right choices through consultations and counselling.

7.3.5 Temporary resettlement

Temporary resettlement should be avoided as it is often more disruptive to affected households and can significantly increase costs for the client.

However, there may be circumstances where temporary relocation is essential. Court processes, for example, to determine final compensation amounts can sometimes take years, leaving affected people without a roof over their heads or without their place of business or land which they need for their livelihoods. Health and safety issues may also mean people need to be relocated quickly. Delays in resettlement planning or project land needs being brought forward are not adequate reasons for temporary resettlement – it should always be a last resort.

 **Provision of temporary solutions (during the wait for compensation) is the least desirable option, as it has been proven to last far longer than originally anticipated, creating numerous problems for affected people who are not able to continue their lives normally.**

Any temporary solutions being provided must fulfil all the same conditions as the permanent solutions and must include strong support being provided to affected people by the client. These types of measures require rigorous monitoring, both from the client and the EBRD.

There is a difference between temporary solutions being used in situations described above where displacement has occurred but compensation is not yet executed and when temporary solutions are provided by the client as a form of assistance. In the case of the latter, the client could have executed payment of compensation and accessed a property, however as an affected household needs time to re-build their house or re-establish their business, the client can provide temporary accommodation during that transition period.

Good practice examples to overcome this challenge:

- As early as possible, determine if the possibility of displacement before the execution of compensation exists and, if so, identify potential temporary land, accommodation or business facilities which could be provided, as needed
- If temporary resettlement proves necessary, be very clear about why this is the case, why other solutions are not appropriate, and why this is in the best interest of the affected households. This needs to be clearly communicated to all stakeholders
- Accommodation, even as a temporary measure, has to fulfil the requirements for adequate housing which, as defined by PR5, can be measured by quality, safety, affordability, habitability, cultural appropriateness, accessibility and locational characteristics. Adequate housing should also allow access to employment, markets, and basic infrastructure and services such as water, electricity, sanitation, health care and education

- When defining a temporary solution, consult with affected people and businesses as to whether the provided option is adequate and on the type of support they need to be able to maintain the standard of living and livelihoods they had prior to displacement. This support could include payment of utilities (electricity, water), provision of food, hygiene or heating fuel, assistance for children to enrol in and regularly attend schools, or free transport
- Regularly visit temporarily resettled affected people, inform them of any developments and monitor their living conditions to ensure they don't deteriorate. If this happens, undertake additional measures to assist them to overcome this situation, depending on their individual needs.

7.3.6 Compensating for communal assets

Communal assets such as recreation areas, schools or religious buildings play an important role in community life and need to be compensated as part of the resettlement programme. If not executed correctly, compensation for affected assets can be the source of many conflicts within a community. This is particularly challenging when the asset is owned by an individual or entity that intends to use cash compensation for a purpose other than replacing the asset.

Good practice examples to overcome this challenge:

- Provide in-kind (replacement) compensation for affected communal assets and land as it will be easier to demonstrate the transparency of entitlements and ensure that assets are replaced
- If replacement land/assets are being provided, consult members of the community on their location and characteristics, and on the design of any replacement structures. Organise site visits to the locations proposed for replacement land/assets for community members
- Establish a system for monitoring of compensation payments, in which members of the affected community also participate
- Regularly disclose all information and outcomes of community meetings, as well as agreements that have been reached
- Establish and implement a grievance system, including the option of submitting grievances anonymously, to ensure all community members can submit any concerns. As part of this process, establish a recourse mechanism (usually a committee with client, community and reputable third party representatives) designed to resolve disputes in a timely and impartial manner
- Ensure women's views are adequately represented throughout the consultation and decision-making process (see Part A, section 4). If women are not adequately represented in community meetings, hold focus groups with them to explore their views and suggestions.

8 Economic displacement and livelihood restoration

8.1 What is economic displacement and livelihood restoration?

The temporary or permanent loss of livelihood or income can lead to economic displacement, leaving those affected by land acquisition significantly worse off.

Livelihood restoration comprises a set of different measures which will be implemented to address economic displacement – that is, to improve or, at a minimum, restore livelihoods and standards of living of affected people to pre-displacement levels.

Table 8.1 provides examples of these sources and how land acquisition can lead to their loss.

Restoring livelihoods is one of the most difficult challenges of the resettlement process and often results in the need for significant resources. It is particularly challenging when existing livelihood methods cannot be continued and affected people therefore need training and new skills to restore their livelihoods. Careful planning is essential and all options should be explored through consultation with those affected.

Table 8.1. Example sources of income/livelihood and how they could be lost as a result of land acquisition

Source of income or livelihood	Example reasons for land acquisition related loss of livelihood/income
Wages from employment	A bakery needs to be relocated to a new location. Moving the business and restarting operations could take at least a few months and even longer to attract new customers and return income to pre-displacement levels. Current owner and bakery employees may lose income temporarily or even permanently.
Cash income earned through a business, labour or through sale of produce, goods, handicrafts or services	The local waste dump is being closed down to make way for a new waste facility which will be fenced off. The waste pickers collecting waste at the dump informally are likely to lose their livelihood from sorting and selling waste.
Rental income from land or premises	A rented apartment is being acquired for a project. The owner will receive compensation however they need time to search for and buy a new rental property and find new tenants. During this period there will be no rental income.
Income from agriculture, including animal husbandry	The local cheese factory which used to buy milk every day from local farmers is being relocated for a project. When the factory is relocated, the farmers will lose their current income.
Share of a harvest (such as through various sharecropping arrangements) or livestock production	The plot of land being sharecropped, belonging to an elderly couple, is being acquired for a project. The elderly couple will hopefully get new land or buy new land with compensation, if available, however the family they sharecropped with is moving to a different area and they will need to find someone else to make a new sharecropping arrangement with. In the meantime they will lose their share of the crop and food they depended on.
Self-produced goods or produce used for exchange or barter	Access to a nearby forest will be restricted for a project. Local residents will no longer be able to go there to collect fruits and berries which they use to produce jam and exchanged for other food at the market.
Self-consumed goods or produce	A household who produced vegetables for self-consumption in their garden is moving to a city where there will be no land available to continue with this activity. The household will now have to buy the food which they previously produced.
Food, materials, fuel and goods for personal or household use or trade derived from natural or common resources	Villagers who used to fish in the local lake and sold their catch in the local market and/or used it for household consumption are being resettled to a new site where there is no fishing. These villagers will be left without a significant portion of their livelihood.
Remittances from family or relatives	Sons of an affected person, who lived abroad and were sending her remittances, had to return to the village to help their mother with construction of new housing. During this time, the sons will lose their income and the household will be left without remittances.

8.2 What is the purpose of livelihood restoration measures?

Livelihood restoration measures are implemented to ensure that affected people restore or, if possible, improve their pre-project standards of living, livelihood and employment activities.

! Implementation of livelihood measures is often complex and can last for years, even beyond the completion of construction.

Failing to restore affected people's livelihoods can push them to find alternative ways of coping, leading to severe impoverishment, food insecurity and increased morbidity.

8.3 Common challenges

8.3.1 Identifying sources of livelihood

Livelihood restoration is often more challenging than physical resettlement as it requires more intense management and monitoring over longer periods of time and has a greater risk of failure. This is particularly the case in countries or areas where the rate of unemployment is very high or where a change in occupation or lifestyle is required. Further, obtaining accurate records of income and livelihoods can be notoriously difficult as people may be unwilling to share this information, leading to difficulties in defining restoration measures and later evaluating their success.

Finding appropriate livelihood replacements is essential to establish the same or improved standard of living. The options for livelihood replacement are infinite and will depend on many factors (see Figure 8.1).

Affected people can continue with the same income-generating activities after displacement or engage in new ones. Sometimes this will be their choice or a matter of circumstances (for example, there is no replacement land available and people cannot continue with agriculture). Either way, they will need support and assistance.

When people are expected to change their sources of livelihood/income, there can be many consequences. For example:

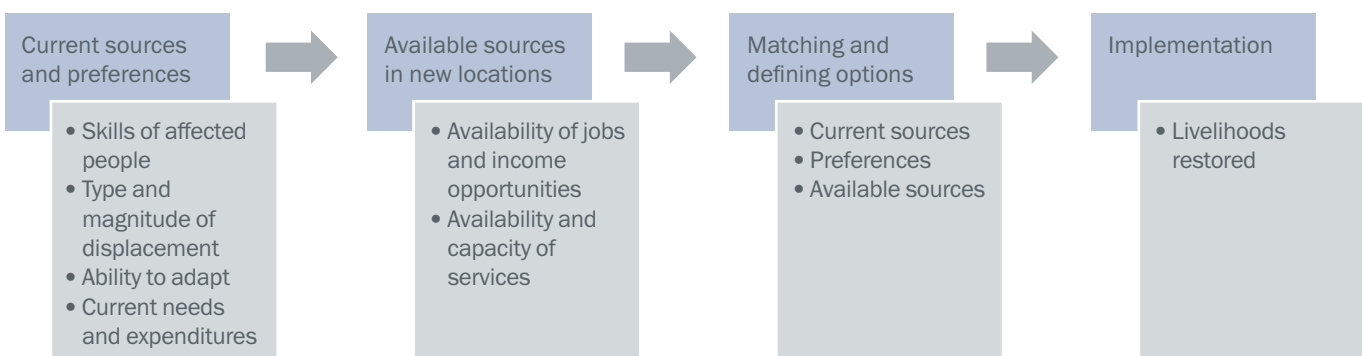
- The client and affected people need time to identify realistic choices for livelihood replacement and potential employment opportunities

- Additional time and resources will be needed for people to acquire new skills to be able to access these new sources of income/livelihoods
- Some affected people may not have the capacity to acquire the level of skills needed to become competitive in the new markets and as a result will earn a lower income and have a lower standard of living than prior to the project
- When affected people need to change their means of income and livelihood, the resettlement transition period will be longer
- Some people will never be able to adapt to their changed lifestyle (such as shifting from agricultural production to working in an office)
- The client will have to invest more resources (human, financial) and time to implement assistance plans (find or create employment opportunities, identify or develop services, provide credit facilities) to support people in the transition period and to monitor implementation.

Good practice examples to overcome this challenge:

- It is critical that baseline socio-economic surveys fully capture both the standard of living and all the types of livelihood (monetary and non-monetary) that a displaced person/household/business is dependent on. However, keep in mind that some forms of livelihood may not be declared during the survey, such as those that are informal or illegal. It may be more useful to use multiple methods to gather more accurate data (such as focus group discussions)
- Livelihood restoration must be coordinated with physical resettlement and factored into the choice of resettlement locations. Solutions for restoring and improving livelihoods must be appropriate for the local context and circumstances
- Explore available options and opportunities for livelihood restoration where affected people are already living (or close to it) and factor this into site selection and decision making. Consult with relevant stakeholders, particularly service providers and businesses active in these areas (employment services, local businesses, agencies providing education and/or training, micro loans and so on)

Figure 8.1. Steps and factors for defining options for livelihood restoration



Case study

On a project in Kazakhstan, the whole community were dependent on the produce from camels. During the winter, their camels lived close to their homes and in the summer, the men of the community grazed the animals in a number of locations in the surrounding region, staying in tents for up to six months, while the women tended to stay in the main houses. The community needed to be resettled as it was located in the safety zone of an oil field. The client provided two options for resettlement: one in the main city, which some residents saw as an opportunity to gain access to new kinds of employment and education for their children. The group who chose this option were keen to make a change from tending camels. The other option included new housing in a different location which was close to grazing land and allowed the households to continue with their existing livelihoods.

- If there are several alternative and adequate areas where people can relocate to, present them with options for livelihood restoration in all the available locations so that they can make informed choices of where they want to relocate (see GPN 6). It may be useful to prompt them to think about the cost of living in the various locations being offered to them. For example, costs associated with transport, car parking or heating/utilities are typically forgotten about when making relocation choices
- Matching the skills and capacity of affected people to existing opportunities is key for success and an individual approach will provide the best results (see Figure 8.1). The most practical and efficient way is to develop individual case files on the basis of socio-economic data from the survey and hold meetings with all affected individuals, matching their skills, experience and preferences with available livelihood options/services in the place of their existing or new residence. Ideally, this would be done while developing the resettlement/livelihood restoration plan but more often it will be a part of the implementation process. Depending on the scale of displacement, career advisers (from national employment services or even NGOs) can be engaged to help carry out this work
- Assist people to fulfil all preconditions to be able to access training, employment and social welfare – for example, assist them to access personal documents such as birth certificates. People living informally often lack these documents, which are necessary for accessing employment and other opportunities available, as well as social welfare and health services. A residential address is usually needed to obtain personal documents. If people are being resettled to some form of organised housing, they should have registered at the new address to be able to apply for documents. If they are not being resettled, they should be assisted to register their residence somewhere else, such as with relatives or even at the address of a state institution (for example, centres for social welfare)

- Consultation with affected people is essential to understand their views on how their livelihoods could be restored (see GPN 6). Even with the best intentions, the client may be unaware of what affected people need and want and may offer them options inappropriate for the situation
- Make arrangements for people affected by the project to have priority in accessing jobs created by the project, both during construction and operation. Recognise however, that this can be a challenge in itself depending on the convergence of project needs and the skills of those in need of livelihood restoration. It can also cause resentment in host communities with high unemployment (see GPN 6.3.5)
- Consider allowing people to continue to use assets even after they receive compensation (if the assets do not need to be accessed for the project for some time). This will make the transition easier and less stressful. It will also reduce the transition period costs for the client. If proceeding with this scenario, ensure there is a written agreement signed by the client and the affected person, specifying their right to continue to use the land, in which way and for how long
- Organise the signing of some form of agreements between the client and affected people on which types of assistance programmes they will participate in to foster their responsibility for active participation.



The best, least painful and quickest way of restoring livelihoods and incomes is to enable people to continue with the same activities as before displacement in the same or nearby locations.

Case study

On a waste project in the Kyrgyz Republic, a significant percentage of waste pickers operating in a city waste dump marked for closure came from other parts of the country and had registered residency there. These individuals would not be able to benefit from project-related employment opportunities as they could not be formally employed in a place where they had no official residence. The client recognised this issue and agreed to work with relevant institutions and affected people to help them register residence in the city so they could be employed as part of the implementation of the project livelihood restoration plan. One potential solution for those who had no friends or relatives residing in the city was to register their residence at the address of city homeless shelters.

Case study

On a hydropower project in Tajikistan, people were provided with a choice of staying in a rural area (close to their original location and maintaining their current livelihood) or moving to an urban area (which they believed would provide improved access to employment and incomes, education, and so on). The client made an effort to present the pros and cons of each option. A significant number decided to move to urban areas despite the key issues – a drastic change in their lifestyle, higher costs (including food) and limited employment opportunities based on their current skills. During the preparation of the livelihood restoration plan, the client realised that the costs would be up to 10 times higher for those who chose the urban option as they would require significant assistance to restore their livelihoods. Early understanding and a stronger presentation of opportunities and limitations could have avoided these costs, by finding and agreeing alternative options with affected people before resettlement.

8.3.2 Use existing national legislation

In most countries where the EBRD invests, land acquisition is addressed by the application of expropriation or other similar laws, focusing on compensating affected land and assets. Activities relating to livelihood restoration, and their implementation, are rarely required under these types of laws. As a result, livelihood restoration is sometimes seen as being without legal basis. Other laws, however, may provide the necessary framework for livelihood restoration.

Good practice examples to overcome this challenge:

- Prepare a good gap analysis to identify obligations and possibilities under national legislation for assisting people with livelihood restoration (see GPN 1)
- Involve and cooperate with service providers who can provide different types of livelihood restoration measures available under national laws, such as national employment agencies and training centres. If not all affected people fit the criteria for accessing these services under national legislation (such as programmes targeting only refugees), consider options for approaching relevant government institutions for expanding the criteria to include affected people
- If service providers lack capacity to implement certain measures or appropriate supportive measures do not exist, consider options for equipping service providers with the necessary resources to assist as many affected people as possible and design and implement new assistance programmes rather than investing into individual livelihood restoration solutions.



8.3.3 Replacing informal incomes

One of the most challenging aspects of assisting people to restore their livelihoods is when their sources of income are informal. Informal livelihoods are also often tied to the most vulnerable individuals and groups (see Part A, section 4). Although the most preferred option is to enable people to continue deriving their livelihoods in the same way as before, this is not possible with informal incomes, even more so if they are deemed illegal under national legislation.

Even capturing such sources of livelihood can be a challenge, as affected people will not be open to discussing them when they know they are breaking the law. It is important to differentiate between informal and criminal/immoral sources of livelihoods – drug dealing, for example, would not be considered a source of livelihood. However, fishing, hunting or use of natural resources such as mushroom or herb picking would be recognised and require restoration assistance.

“ I have always had it hard, with my husband gone six years already, bringing up our five children. My youngest daughter is eight and my eldest is twenty. I am on social welfare but that has never been enough to see us through from one month to the other. Around three years ago, we moved to this house because it was the only thing we could afford and although it is right next to the waste dump, it has changed our lives for the better. Very soon after we moved in, we noticed that there were many people during the day on the waste dump, collecting plastic bottles, cardboard, metal and so on.

They would only stop to have some food occasionally and some of them even lit fires to cook on. My daughter came to me one day and suggested we cook some food and sell it to them. At first I thought it was a crazy idea, but look at where I am now, with my so-called restaurant where my living room used to be! A few months ago some people from the city came and said that the waste dump will be closed soon. It's all we have been talking about since then. The waste pickers who come here for food, most of them are now my friends, and say that they will no longer be able to do this work. I hope these are all just crazy rumours because with the waste pickers gone, gone will be my life once again... ”

Veronyka, 41



The success of livelihood restoration will depend to a great extent on the participation of affected people and the only way they will participate is if their views are taken into account during planning.

Good practice examples to overcome this challenge:

- Consider the option of assisting people to legalise informal sources of livelihoods. This could involve a range of options, such as giving affected people the possibility of selling goods in legally designated areas under favourable conditions or employing waste pickers in official recycling centres or at official waste dumps
- Inform affected people in a timely manner about the project so they may move their activities outside of the project-affected area if possible
- If the above is not possible, assist people to change their sources of income through the provision of education and training, access to employment opportunities or assistance to start up a new type of business.

Case study

The reconstruction of a railway station in Serbia required clearing an informal flea market where second-hand goods were sold basically on the street. This was a popular location for people who collected scrap all around the city to sell and it was actually situated in the vicinity of a formal (regulated) market. People who sold goods were never the same and it was impossible to record them all through a census. The solution adopted and implemented by the client was to designate an area within the formal flea market for sale of second-hand goods. Informal vendors were provided with an opportunity to rent market stalls or on the ground space, for different amounts, at symbolic rates of a few euros, either on a daily or monthly basis. At the same time, certain illegal goods could not be sold, such as stolen manhole covers or dangerous goods such as medicine or expired food items.

8.3.4 Demonstrating that livelihoods have been restored

The client is obliged to implement all measures contained in a resettlement/livelihood restoration plan and evaluate if livelihoods and standards of living have been fully restored.

Determining when livelihood restoration has been achieved is one of the greatest challenges in resettlement. There are no universally accepted measures for determining this and therefore these measures have to be developed on a case-by-case basis, based on the information collected during the census and socio-economic survey.

There will always be a percentage of affected people who will create their own new livelihood strategies and will not be interested in anything that is offered to them.

Good practice examples to overcome this challenge:

- Using the household as the unit of entitlement will provide greater opportunities for livelihood restoration as different members could be supported to restore the total household livelihood rather than relying on one person/income. However, it is important to also recognise that a household's dynamics may change over time or even as a result of the resettlement and economic dependencies may be altered. As such, using former household income may not always be appropriate
- Record baseline information on livelihoods (monetary and non-monetary sources, household members engaged in generating the livelihood and amounts) through the census/survey and regularly update any changes during monitoring
- Restoring incomes or livelihoods must be considered in the context of **restoring the standard of living** and not in the context of simply restoring the monetary incomes of affected people/households. For example, a household moving from one place to another may have the same monthly income as they had before the move but their expenditure could be significantly higher (if they are spending more money on travel, food and so on), which means that their standard of living will be on the decline
- Compare, analyse and present changes in the standard of living from pre-displacement to post-displacement
- Develop clear and simple monitoring indicators such as changes in income level (maintained, increased, decreased) and level of expenditures, from pre-displacement to post-displacement period; reinvestment in livelihood activities (purchase of land or livestock, purchase of equipment, investment in additional skills and training); investment in children's education; investment in improvement of living standards or purchase of luxury items (computer equipment, cars). Use the results to assess whether further or different livelihood restoration measures need to be implemented
- If necessary, develop protocols for how many times an affected person can refuse a certain opportunity being offered to them before the obligation of the client is considered to have been fulfilled. This protocol should be discussed and agreed with affected people before implementation of livelihood restoration measures begins. The process for documenting these efforts and the responses of affected people also has to be in place (see below)
- Record all implemented assistance measures and efforts made to provide affected people with livelihood opportunities and the detailed results of these efforts through regular monitoring. For example, create an Excel sheet which contains the date/time when employment (or another service, such as training or a loan) was offered to an affected person (of a working age and ability) and whether he/she accepted it or not (record the reasons given for refusal).

Case study

On a bridge rehabilitation project in Serbia, the client provided employment opportunities in public communal enterprises (waste management, cemeteries, water supply, green areas and parks) for over three years to affected people. It was determined that while some affected people were very hard-working and managed to keep these jobs and even get promoted, some (and always the same individuals) kept refusing all jobs being offered to them or failed to keep them. Through regular monitoring it was revealed that these people had alternative sources of income, mostly in the informal sector such as waste collection, sale of second-hand goods, social welfare benefits or pensions of other household members.

A system was introduced by the client that would allow affected people of working age to either turn down jobs or quit them a maximum of three times before they were permanently taken off the employment assistance list.



9 Resettlement/livelihood restoration documentation

9.1 What are the options for documenting resettlement commitments?

There are two primary documents under PR5 which details clients' commitments to resettlement and/or livelihood restoration: the **resettlement/livelihood restoration framework** or **resettlement/livelihood restoration plan**.

9.1.1 Resettlement/livelihood restoration framework

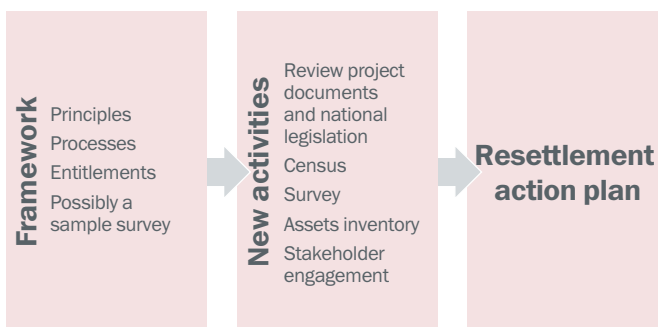
When the exact nature or magnitude of the land acquisition or restrictions on land use related to a project (or a project component) are unknown, development of a framework document may be deemed acceptable for the project to proceed with approval by the EBRD. This often happens on linear projects (pipelines, roads, transmission lines) or projects which will be implemented in phases.

The purpose of a framework is to describe the likely impacts associated with land acquisition and outline the principles which will be followed to address these. This could generally include the provision of compensation and/or other assistance measures. For the preparation of a framework document, it is not necessary to have completed the census (see GPN 2) or asset inventory (see GPN 4) though some form of socio-economic survey (see GPN 3) can be valuable in order to understand impacts and may have been undertaken as part of the impact assessment process.

9.1.2 Resettlement/livelihood restoration plan

The preparation of a resettlement/livelihood restoration plan will follow the completion of the framework once the details of land acquisition requirements and the project footprint become available. However, if a framework is not appropriate or needed, a plan will be the first document that needs to be prepared. The additional tasks required for the preparation of a plan as opposed to a framework are outlined in Figure 9.1.

Figure 9.1. Moving from a framework to a plan



9.2 What is the purpose of resettlement/livelihood restoration documentation?

The purpose of the **framework** is to establish the principles for awarding compensation for the impacts of future land acquisition and to secure the commitment of the client for implementing land acquisition in accordance with PR5. The disclosure of a framework will inform affected people and other stakeholders about these principles and the client's commitment. It also facilitates a process that is, and can be seen to be, transparent.

The purpose of a **plan** is to present to all interested parties, including affected people, who exactly will be affected by land acquisition, how acquisition will be implemented and by whom, as well as the time frame and resources.

Developing a good project specific framework can be cost and time effective, as it will give the client a good idea of the steps they need to take during resettlement planning and can therefore reduce work needed to develop a plan. Affected people and other stakeholders will have time to consider the framework and provide any comments and suggestions which may also be useful for the client in the planning process.

On the other hand, if a framework is poorly developed it can delay the resettlement/livelihood restoration planning, as certain activities may have to be redone or corrected, increasing the costs. For example, if stakeholder engagement is not carried out correctly, there may be false expectations or resistance from affected people during the development of a plan. Time will be needed to establish a relationship with stakeholders, so as to be able to engage meaningfully with them.

It is important to realise that both the framework and the plan are not the end of the land acquisition process. In fact, they are merely the beginning of implementing land acquisition and if done well, they can guide the implementation in the right direction.

9.3 Content of a framework and plan

While the content of each will depend on a specific project context, the general topics covered in both a plan and a framework are similar. Both types of documentation are a record of the activities that have taken place to date and a commitment for next steps.

A key difference between the documents is the description of affected people and assets. In a framework, this will typically include an estimate of the population and the likely categories of affected people, based on secondary information. In a plan, this will be more detailed and based on the results of the census and socio-economic survey and will include details such as the exact number of people and households who will be physically or economically affected and a description of vulnerable groups. The entitlements matrix is the most important part of both documents. A plan's matrix will include a detailed outline of all categories of losses and entitlement measures, while for the framework the matrix may have less detail as key information (such as the exact number of affected people) may not be confirmed yet.

Annex 2 outlines the key chapters in each type of document, and the different level of detail expected in line with PR5.

Case study

On a waste management project in the Kyrgyz Republic, three physical displacement scenarios were possible, depending on the width of the safety zone which was to be determined several years later. To prevent any opportunistic squatters, all those who lived within the three possible resettlement areas were recorded by a census and the cut-off date was announced. Potentially-affected people were transparently informed that the final resettlement needs would not be known for another few years and that the fact that they were being recorded did not mean that they would be eventually resettled or entitled to compensation and assistance. People were surveyed and consulted during the development of the resettlement framework and it was eventually decided that there would be no value in publicly disclosing the full framework, only a summary of it.

9.4 Budgeting for resettlement

Estimating budgets for land acquisition is one of the greatest challenges in preparing planning documents, particularly the framework, when the project is at a very early stage. If many factors are unknown, there may be no way of establishing likely costs at all.

With the majority of projects, however, an estimate will be possible and it is extremely important to prepare it as the cost of land acquisition can significantly affect the decision on the overall economic feasibility of the project.

In most cases, land and structures (residential and business) that have to be acquired are the most costly items in a budget and therefore an accurate estimate of how much it will cost to acquire them will help in the estimation of the total costs of land acquisition.

Good practice examples to overcome this challenge:

- Obtain a good estimate of the total land area that will be acquired (particularly privately-owned land) and average prices of land in the area. Also obtain an estimate of the number of structures that will be affected, which could be done through site visits or Google Earth. If there are businesses in the area, it would be useful to learn more about them (number of employees, estimated annual turnover, and so on) to make estimates of the costs associated with displacing them
- The costs of personnel, resettlement and livelihood restoration assistance are often negligible when compared to the cost of land, structures and businesses. In most cases it will not significantly increase project budgets. If it is possible to estimate the numbers of affected people/households, an average unit cost of assistance can be multiplied by this. For personnel, the expected number of people who should be engaged for implementing land acquisition and resettlement should be multiplied with an average salary for the expected duration of the implementation and monitoring period
- In some cases, assistance can be a costly item, such as provision of social housing. Estimates of construction of such housing have to be multiplied by the estimated or known number of affected households
- Livelihood restoration costs can sometimes be estimated by investigating average costs of training, equipment, or start-up grants and multiplying them by the number of potential beneficiaries.

Future additions

This document has been designed to be a flexible, dynamic and practical resource for those involved in the challenges of resettlement planning and implementation. While we envisage that some readers will use every section, we recognise that others will only read or use specific sections in line with their project's needs. However you have used this document, we hope you have found it helpful.

Resettlement planning and implementation is a vast topic. In writing this first edition, we have made deliberate decisions on which issues to address and which to omit based on the current needs of the EBRD's clients. Future revisions may include additional process-related topics or sections on specific project impacts or activities.

We have already identified two topics where we believe additional guidance would be useful:

- Livelihood restoration for change in access to fishing grounds
- Monitoring and evaluation of resettlement and livelihood restoration.

If you have suggestions for topics to include in future editions of this document, please contact environmentandsocial@ebrd.com

Other resources

Resettlement guidance documents of other IFIs

African Development Bank (2003), Involuntary Resettlement Policy. See www.afdb.org/en/documents/document/bank-group-involuntary-resettlement-policy-11342/ (last accessed 24 August 2016).

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Annex 1: Glossary of terms

PR5 uses a number of terms in a technical sense that may be different from their use in everyday language. Some key terms related to PR5 are defined below.

A note on translation: when working with interpreters or translating resettlement documents into languages other than English, care must be taken to ensure the terms and concepts of PR5 are accurately communicated. The EBRD's Environmental and Social Policy (ESP, 2014) is available in a range of languages and is a useful starting point for translators or resettlement documentation.

www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html

Adequate housing or shelter	This can be measured by quality, safety, affordability, habitability, cultural appropriateness, accessibility and locational characteristics. It should allow access to employment options, markets and basic infrastructure and services, such as water, electricity, sanitation, health care and education.
Compensation	Payment in cash or in kind for loss of an asset or a resource that is acquired or affected by the project.
Consultation fatigue	Too many requests for opinions, consultation meetings, focus groups, surveys and so on, which leads to affected people withdrawing their participation in the process.
Cut-off date	The date after which anyone who moves into the project area is no longer entitled to compensation and/or assistance. In practice, the cut-off date is usually the date of completion of the census of people and inventory of assets in the project-affected area, unless there are local legal provisions for another arrangement. Persons found occupying the project area after the cut-off date are not eligible to project compensation or other resettlement benefits. Similarly, fixed assets (such as built structures or crops) established after the cut-off date will not be compensated.
Displaced/project affected person (PAP)	Any person who, as a result of the land acquisition required by the project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, pasture or undeveloped/unused land), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily. Not all PAPs will need to move location due to the project.
Economic displacement	Loss of assets (including land) or access to assets that leads to loss of income or means of livelihood as a result of project-related land acquisition or restriction of access to natural resources. People or enterprises may be economically displaced with or without experiencing physical displacement.
Expropriation	The process whereby a public authority, in return for compensation, requires a person, household or community to relinquish rights to properties (land and structures) that it occupies or otherwise uses.
Host population	People living in or around areas to which people physically displaced by a project will be resettled. The host population may, in turn, be affected by the resettlement or even be displaced themselves.
Internally displaced person (IDP)	Someone who is forced to flee their home (for example, due to armed conflict) but who remains within their country's borders, as opposed to a refugee who flees outside of the country's borders.
Involuntary resettlement	Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that will result in displacement. This occurs in cases of lawful expropriation or restrictions on land use based on eminent domain; and in cases of negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.
Land acquisition	Land acquisition includes both outright purchases of property and purchases of access rights, such as rights-of way.

Livelihood	<p>A livelihood comprises the capabilities, assets and activities required for a means of living¹ such as:</p> <ul style="list-style-type: none"> • Wages from employment • Cash income earned through an enterprise or through sale of produce, goods, handicrafts or services • Rental income from land or premises • Income from a harvest or animal husbandry • Share of a harvest (such as various sharecropping arrangements) or livestock production • Self-produced goods or produce used for exchange or barter • Self-consumed goods or produce • Food, materials, fuel and goods for personal or household use or trade derived from natural or common resources • Pensions • Various types of government allowances (child allowances, special assistance for the very poor) • Remittances from family or relatives.
Orphan land	Unacquired parts of a land parcel which are left unusable or undevelopable (either temporarily or permanently) as a result of the project or expropriation.
Physical displacement	Loss of house/apartment, dwelling or shelter as a result of project-related land acquisition which requires the affected person(s) to move to another location.
Replacement value	<p>This is usually calculated as the market value of the asset plus transaction costs such as taxes, stamp duties, legal and notarisation fees, registration fees, travel costs and any other such costs such as may be incurred as a result of the transaction or transfer of property.</p> <p>Compensation at full replacement value is sufficient for the affected person to replace project-affected land, structures and other assets to the same or better standard in another location.</p>
Resettlement action plan	The document in which a client or other responsible entity specifies the procedures it will follow and the actions it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by an investment project.
Security of tenure	A measure to protect the resettled persons, to the greatest extent possible, from forced evictions at their resettlement site (for example, social housing).
Severance	Separation of communities from land that they use, infrastructure, social networks and so on, which is usually the result of construction of linear projects such as roads. Typically, under and/or overpasses are necessary to ensure people and their vehicles/livestock/machinery can move from one side to the other.
Vulnerable or at-risk groups	<p>These groups include people who, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status, may be more adversely affected by displacement than others and who may be limited in their ability to take advantage of resettlement assistance and related development benefits.</p> <p>Vulnerable groups in the context of displacement also include people living below the poverty line, the landless, the elderly, women- and children-headed households, ethnic minorities, communities dependent on natural resources or other displaced persons who may not be protected through national land compensation or land titling legislation. These groups should be identified through the process of environmental and social appraisal (see PR1).</p>

¹ R. Chambers and G. R. Conway (1992), Sustainable Rural Livelihoods: Practical Concepts for the 21st Century, Institute of Development Studies Discussion Papers, Cambridge.

Annex 2: Contents of a resettlement framework and plan

TITLE	FRAMEWORK	PLAN
Introduction	<ul style="list-style-type: none"> Purpose of the framework The process for preparing and approving resettlement plans Explanation of why a resettlement plan cannot be prepared at this stage 	<ul style="list-style-type: none"> Purpose, scope and content of the plan How the plan was prepared and approved and by whom
Project description	Brief description of the project and its components which will/may require land acquisition.	General description of the project and description of the project components and activities that will require land acquisition and cause physical/economic displacement.
Project impacts	<ul style="list-style-type: none"> Potential project impacts/ losses associated with all project components/phases 	<ul style="list-style-type: none"> Expected project impacts/losses associated with the project components/phases covered by the plan Explanation of all activities and alternatives considered to avoid or minimise displacement
Legal framework	<ul style="list-style-type: none"> National legal framework (expropriation, land tenure) and provision of resettlement/ livelihood restoration assistance) EBRD requirements Gap analysis between national legislation and EBRD requirements and measures to bridge any gaps between them 	If necessary, a more detailed gap analysis addressing the specific legal requirements that pertain to the displacement caused by project components in question.
Affected people and assets	Estimated population displacement and likely categories of displaced persons, to the extent feasible at the time of framework development.	Results of the socio-economic survey and any other tools used, such as focus groups, covering, for example: <ul style="list-style-type: none"> People/households who will be physically displaced and their land ownership status People/households/businesses who will be economically displaced and their land ownership status Standard characteristics of displaced people/households businesses and baseline information Information on vulnerable groups Social networks and social support systems, and how they will be affected by the project Description of affected assets, including natural resources, public infrastructure and services.
Key compensation and assistance principles	Key principles of compensation, resettlement and livelihood restoration that the client is committed to implementing	Key principles of compensation, resettlement and livelihood restoration that the client is committed to implementing
Eligibility	Eligibility principles	<ul style="list-style-type: none"> Description and results of the census Cut-off date for eligibility Eligibility of categories of displaced persons for compensation and other resettlement assistance
Entitlements matrix	Entitlements matrix addressing the principles of entitlements associated with the project	Entitlements matrix addressing categories of losses and entitlements pertaining to the project components/phases in question

Compensation and assistance	<ul style="list-style-type: none"> • Methods of valuing affected assets • Implementation principles and process 	<ul style="list-style-type: none"> • Description of the methodology for valuing losses to determine their replacement cost • Description of compensation and assistance measures • Description of process for executing compensation and assistance • Description of organised resettlement programme (selection of locations, design of housing, planned infrastructure, improvements for host community), if applicable
Organisational arrangements	Roles and responsibilities for delivery of entitlements	Procedures for the delivery of entitlements and the roles and responsibilities of all involved agencies/organisations (client, authorities, various service providers), including coordination arrangements
Time frame	Estimated time frame for preparation of resettlement/livelihood restoration plans for various project components	Implementation time frame covering all activities from preparation of the plan through implementation, including monitoring and evaluation
Disclosure of information and consultations	<ul style="list-style-type: none"> • Description of engagement activities undertaken as part of developing the framework • Description of mechanisms for stakeholder engagement throughout the planning, implementation and monitoring process 	<ul style="list-style-type: none"> • Description of engagement activities undertaken as part of developing the plan, its finalisation and approval • Summary of the views expressed and how these were taken into account in preparing the plan • Description of planned stakeholder engagement during implementation
Grievance mechanism	Description of grievance mechanisms	Description of grievance mechanism with contact details of those responsible for grievances for the project component/phase in question
Monitoring and reporting	<ul style="list-style-type: none"> • Objectives of monitoring and evaluation • Indicative indicators • General reporting principles 	<ul style="list-style-type: none"> • Description of the internal and external monitoring and evaluation arrangements • Monitoring indicators to measure inputs, outputs, and outcomes for resettlement/livelihood restoration activities • Reporting on implementation of the plan
Implementation costs	<ul style="list-style-type: none"> • Arrangements for funding resettlement (which source will fund which component) • Estimated budget 	Tables presenting expected costs for all resettlement activities and sources of funds

Annex 3: Example (template) entitlements matrix

TYPE OF LOSS/ IMPACT	CATEGORY OF PAP	ENTITLEMENTS
PERMANENT LOSSES/IMPACTS PRIOR TO CONSTRUCTION		
Permanent loss of construction, agricultural, forest land and/or pastures. For users of land (formal and informal), this refers to access to privately owned land or public land/resources.	Owner of land	Cash compensation at full replacement cost OR Replacement construction, agricultural, residential, forest land and/or pastures of a similar quality, size and location.
	Formal user (tenant) of land	Information about the acquisition of the land at least three months in advance of land entry, to enable the tenant to find other land for lease.
	Informal user of land	Assistance to identify replacement land/resources for use prior to land entry.
Orphan land (a part of a plot of land that is to be left over after expropriation, for which the owner has no economic interest in continuing to use)	Owner of land	Cash compensation at full replacement cost.
Loss of annual/perennial crops and trees	Owner of crops and trees (which could be the landowner or formal or informal user of land)	Cash compensation for lost annual/perennial crops/plants at full replacement cost.
Loss of non-residential structures (fences, barns, sheds) and infrastructure (irrigation)	Owner of non-residential structure and infrastructure (which could be the landowner or formal or informal user of land)	Cash compensation at full replacement cost AND Moving allowance for movable assets or assistance to move them.
Loss of business structures (shops, office space, workshops or similar)	Owner of business structure	Moving allowance for movable assets or assistance to move them AND, either Cash compensation at full replacement cost OR Replacement business structure.

Loss of residential houses (physical displacement)	Owner of house	Resettlement assistance, including moving allowance or assistance to move AND, either Replacement residential structure of equal or higher value (with equivalent of better characteristics and advantages of location) OR Cash compensation at full replacement cost. ----- If the owner has no other place of residence and the value of the house is so low that the affected person and his/her household cannot resettle to adequate housing as required by the EBRD, the affected household shall be entitled to a choice of options for adequate housing with security of tenure (such as social housing).
	Formal user (tenant) of house	Information about the acquisition of the house at least six months in advance of demolition to enable the tenant to find other accommodation AND Moving allowance or assistance to move.
	Informal user of house	Resettlement assistance, including moving allowance or assistance to move AND If the user has no other place of residence, a choice of options for adequate housing with security of tenure (such as social housing).
Loss of business income and/or sources of livelihood associated with either of the above losses or other project impacts (economic displacement)	Owner (formal or informal business or economic activity)	Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities in another location) AND Livelihood restoration assistance, such as the following: <ul style="list-style-type: none"> • Provision of machinery and equipment for improving farming • Provision of skills training • Access to jobs • Provision of personal documents • Provision of micro loans.
TEMPORARY LOSSES/IMPACTS DURING CONSTRUCTION		
Temporary loss of construction, agricultural, forest land and/or pastures. For users of land, this refers to access to privately owned land or public land/resources Note: for loss of crops/plants/trees, see permanent losses.	Owner	Cash compensation at full replacement cost for the right to use land under contract, for the land use period AND Reinstatement of land after use.
	Formal user (tenant)	Information about the acquisition of the land at least three months in advance of land entry, to enable the tenant to find other land for lease.
	Informal user	Assistance to identify replacement land/resources for use prior to land entry.

Annex 4: Example monitoring and evaluation indicators

Input and output indicators

Input indicators	Additional notes	Frequency of measurement
Overall spending on land acquisition (including a breakdown of costs)	<p>An example breakdown:</p> <ul style="list-style-type: none"> • Cash compensation • Costs of providing assistance, by type of assistance • Consultation and engagement costs • Costs of evaluators and surveyors • Costs of legal fees • Costs of taxes and registration fees • Costs of consultancy inputs • Costs of vehicles, computers, and so on • Other costs (and type). 	Monthly
Number of client staff/external associates dedicated to resettlement and livelihood restoration	<p>An example breakdown:</p> <ul style="list-style-type: none"> • Members of client implementation team • Members of other departments and sectors • Social workers • Skill trainers • Resettlement consultants. 	Monthly
Total number of owners and total number of formal and informal users of affected land plots	<p>Initial data will be received through the census/survey.</p> <p>Updates will be made continuously as the implementation team identifies all owners/users of all land plots (for example, through the management of grievances).</p>	Monthly
<p>Number of formal and informal households that have to be physically displaced</p> <p>Number of formal and informal businesses that have to be relocated</p>	Data will be received through the census/survey.	Monthly
Output indicators	Additional notes	Frequency of measurement
<p>Number (and percentage) of land plots/houses/businesses for which compensation agreements were signed</p> <p>Number (and percentage) of owners/users who signed compensation agreements</p>	The percentage should be calculated from the total number of affected land plots/houses/businesses, as identified by the census/survey.	Monthly
<p>Number (and percentage) of land plots /houses/businesses for which compensation agreements were refused/are still pending</p> <p>Number (and percentage) of owners/users who refused to sign compensation agreements/ are still deliberating</p>	If possible, a breakdown of reasons why compensation agreements have been declined (or have still not been accepted) should be provided (land/houses/businesses).	Monthly
Number (and percentage) of compensation agreements executed (compensation paid)	The percentage should be calculated from the number of compensation agreements signed.	Monthly

Number (and percentage) of households that have been physically displaced (moved to another location)	The percentage should be calculated from the number of households/businesses which were identified as having to be physically displaced/relocated (see input indicators).	Monthly
Number (and percentage) of businesses that have been relocated		
Number of persons/households assisted by the implementation team by type of assistance and by category (owners/users)	<ul style="list-style-type: none"> • Assistance to prepare ownership documents (monetary assistance, provision of information, legal aid, and so on) • Assistance to identify replacement land/houses for purchase • Assistance to construct/identify new business facilities • Assistance to move or payment of moving costs • Skill training • Access to employment/small loans • Other assistance (and type) 	Monthly

Outcome indicators

Outcome indicators	Additional notes	Frequency of measurement
Number of newly received, open and closed grievances; any trends; and average time for grievance processing	<p>Measure the time interval between grievance registration and closure.</p> <p>Grievances should be reviewed by the implementation team to flag up significant issues in implementation.</p>	Quarterly
Average time for payment of compensation	<p>Average time between acceptance of the offer/signing of the contract and the execution of compensation.</p> <p>This should also be regularly monitored by the implementation team to determine if there are delays which could put affected people in a difficult position.</p>	Quarterly
How was the received cash compensation used/invested?	<p>Survey to determine what affected people used compensation for, such as:</p> <ul style="list-style-type: none"> • Replacement land • Replacement housing • Replacement business facilities • Other assets or investments (and types). 	Annually
Has compensation been paid at full replacement cost?	Investigate whether recipients of cash compensation who bought replacement properties (land, houses) were able to purchase a similar (or better) property.	Annually
Satisfaction with replacement housing/residence	<ul style="list-style-type: none"> • Conduct a survey to determine whether households that moved are satisfied with new living arrangements (and why) • Assess whether the standard of living seems improved or deteriorated (for example, is the household reporting that they bought new furniture, cars, equipment, and so on?) 	Annually
Re-establishment of incomes/livelihoods	<ul style="list-style-type: none"> • Have those who were using land as a source of livelihood/income managed to re-establish this source and level of livelihood/income? • Assess specifically the situation of any users of land, particularly informal ones 	Annually
Re-establishment of businesses	<ul style="list-style-type: none"> • Have relocated businesses been successfully re-established? Survey of net income and comparison to baseline data • Are business employees still working after re-location? (If not, reasons why). Survey of employees and their earnings and comparison with baseline data. 	Annually



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