

PERFORMANCE STANDARD (PS) 5: LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

Overview

Feb 22, 2022



Creating Markets, Creating Opportunities

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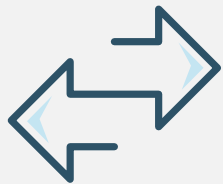
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Overview of PS5 – Structure of PS5



General

- Project Design
- Compensation and Benefits for Displaced Persons
- Community Engagement
- Grievance Mechanism
- Resettlement and Livelihood Restoration Planning and Implementation



Displacement

- Physical Displacement
- Economic Displacement



Private Sector Responsibilities under Government Managed Resettlement

PS 5 Objectives

- Avoid or minimize displacement by exploring alternative project design.
- Avoid forced eviction.
- Anticipate, avoid, or minimize impacts from land acquisition or restriction on land use:
 - Compensation of lost assets at replacement cost
 - Adequate disclosure of information and ICP.
- Improve or restore livelihoods and standards of living of displaced persons.
- Improve living conditions among physically displaced persons through adequate housing with security of tenure.

Scope of Application

Does NOT Apply	Applies
Resettlement resulting from voluntary transaction, where expropriation is not possible: e.g., True Willing Buyer/Willing Seller.	Land acquired through expropriation or other compulsory legal procedure.
Impacts on livelihoods when project does not change the land use.	Land acquired through negotiation with property owners, where expropriation is possible.
Impacts on livelihoods or income are not a direct result of land acquisition or land use restrictions imposed by the project.	Involuntary restrictions on land use or access to natural resources where communities have usage right.

Para 7: *Where project impacts on land, assets, or access to assets become significantly adverse at any stage of the project, the client should consider applying requirements of this Performance Standard, even where no land acquisition or land use restriction is involved .*

Basic Concepts



Resettlement

Includes BOTH physical (loss of home) AND economic (loss of income or livelihood source) displacement due to loss of assets/access to assets.



Replacement Cost

Market value of assets plus transaction costs: allows people to replace lost assets with assets of similar value. Depreciation NOT taken into account.



Involuntary

Displaced persons have no legal right to refuse resettlement due to (possible) use of eminent domain / compulsory acquisition / expropriation. This INCLUDES negotiated settlements backed by use of such measures.



Livelihood Restoration

Actions/programs to improve, substitute, or at least restore affected persons' livelihoods. Goes well beyond cash compensation.



Willing Buyer/Seller

Voluntary transactions in which sellers are given a genuine opportunity to retain/refuse to sell their land and are fully informed about choices and their implications. Not valid if others occupying/using the land are displaced.

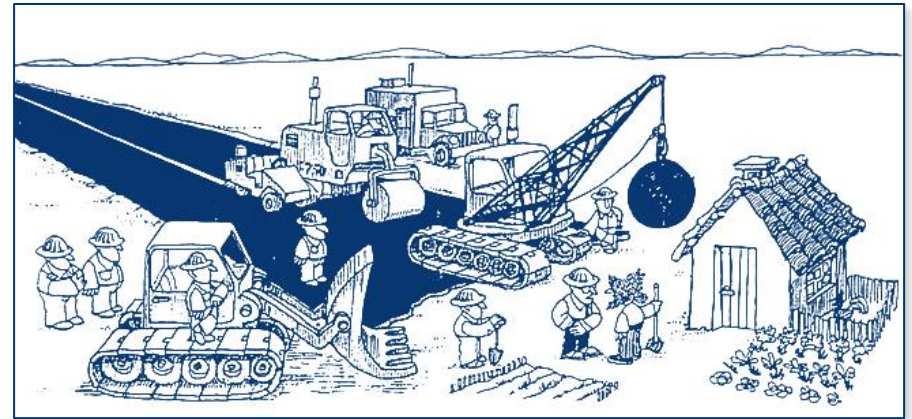


Eligibility

Persons who have legal rights to land/assets, AND those with a claim recognizable under national law, AND those with no recognizable right or claim.

Project Design

- Consider feasible alternative project design.
- Consider impact on the poor and vulnerable.



Community Engagement & Grievance Mechanism

- Engage with affected communities following PS1.
- Decision-making processes should include options and alternatives.
- Disclose relevant information and engage with affected communities during planning, implementation, monitoring, and evaluation.
- Additional provisions apply to consultation with Indigenous Peoples (as per PS7).
- Establish a grievance mechanism (as per PS1), including a mechanism to resolve disputes.



Resettlement & Livelihood Restoration Planning & Implementation

- Conduct a census and establish a cut-off date for eligibility.
- Develop a Resettlement and/or Livelihood Restoration Framework (*when footprint/details are not defined*).
- Expand the framework to Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP), where footprint is defined.
- Monitor Implementation of RAP or LRP.
- Complete audit and define remedial actions (if required).

၁. ကျေးရွာတွင်း ထိခိုက်သက်ရောက်မှုရှိနိုင်သောမြေ

1. Village of the impacted land

ကျေးရွာ Village	ဗွက်ကြီးသိုက်	ကျေးရွာခွဲ Sub-village	
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၂. ထိခိုက်သက်ရောက်မှုရှိသောမြေသည် စီမံကိန်း၏ မည်သည့်အပိုင်းကြောင့် ဖြစ်သနည်း

2. Project zone of the impacted land

	ခရိုင်
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၃. GPS (လမ်းကြောင်း) ဖြင့် တိုင်းတာမှုအရ ထိခိုက်သက်ရောက်သောမြေဧရိယာ

3. What is the surface of the impacted plot according to GPS (Track)?

	0.199 (Acres)
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၄. မေ့ရန်မဟုတ်အောင် သက်ရောက်မှုရှိသောမြေတွင်တစ်ပုံမှတ်တမ်းယူခြင်း

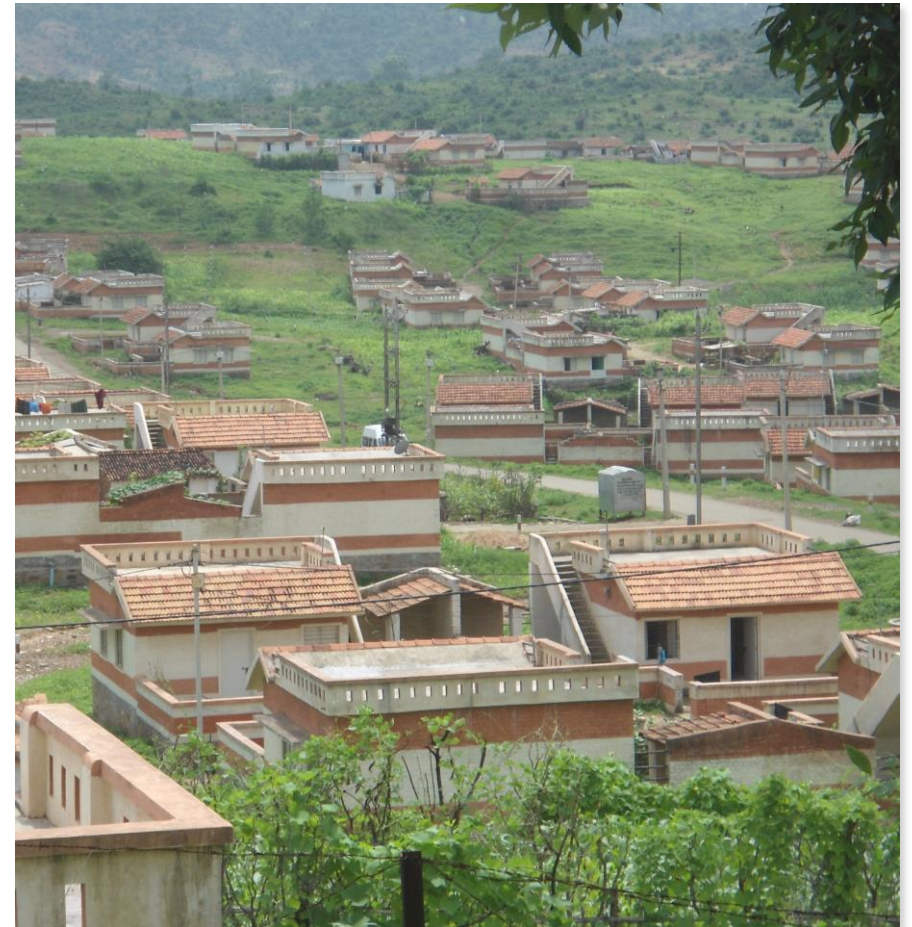
4. Surveyor make a picture of land being impacted

Key Issues



- Gaps in analysis of alternatives (avoidance).
- Absence of census and socio-economic baseline.
- Absence of focused engagement around land acquisition/resettlement.
- Grievance redress not tailored to land acquisition issues/concerns.
- Gaps in Entitlement Framework (focus on legal compliance/ informal settlers).
- Lack of focus/gaps in livelihood restoration.
- Adequacy of monitoring and evaluation.



An aerial photograph of a tropical village, likely in Southeast Asia, showing a dense cluster of buildings with brown roofs and a thick canopy of palm trees. The image is overlaid with a semi-transparent blue gradient. In the center, the text 'Q&A' is written in a large, white, sans-serif font.

Q&A

Displacement, Compensation, & Benefits

Type	Economic	Physical
Landowner – formal title or legally-recognized customary right	<ul style="list-style-type: none"> • Replacement cost – market price & transaction costs. • Land-for-land compensation preferred. 	<ul style="list-style-type: none"> • Replacement cost – market price & transaction costs for ALL impacted assets. • Choice of housing (resettlement site/self relocation).
Land user – no title or recognizable legal rights (e.g., informal settlers/users)	<ul style="list-style-type: none"> • No compensation for land. • Replacement cost for standing assets. • Moving allowance ++ 	<ul style="list-style-type: none"> • Standing assets – house, crops, and so on at replacement cost. • Adequate housing with security of tenure.
Livelihood restoration	<ul style="list-style-type: none"> • Equal or better transitional support. 	<ul style="list-style-type: none"> • If livelihood affected, equal or better, transitional support.
Documentation required	<ul style="list-style-type: none"> • Livelihood Restoration Plan. 	<ul style="list-style-type: none"> • Resettlement Action Plan.

Para 24: *Forced evictions should not be carried out except in accordance with law and the requirements of this PS.*

Displacement, Compensation, & Benefits

– Physically Displaced

Actions required	Title holders (Formal & informal)	Informal settlers
Compensate for land	Yes	No
Replacement housing	Yes	Yes
Security of tenure for replacement housing	Yes	Yes
Compensate for improvements	Yes	Yes
Restore livelihoods	Yes	Yes
Development benefits	Yes	Yes

Displacement, Compensation, & Benefits

– Economically Displaced

Actions required	Title holders (Formal & informal/ customary)	Informal settlers
Compensate for loss of land	Yes	No
Loss of other assets (such as crops or structures)	Yes	Yes
Compensate for reestablishing commercial activities	Yes	Yes
Provide replacement property / cash compensation	Yes	No
Additional targeted assistance (such as training)	Yes	Yes
Transitional support	Yes	Yes
Development benefits	Yes	Yes

Private Sector Responsibilities Under Government-Managed Resettlement

- Active collaboration between client and government (in govt led land acquisition) and where gov't capacity is limited.
- Client to identify and describe gov't resettlement measures.
- Prepare a Supplemental Resettlement Plan to close gaps with PS5 compliance.
- If **economically displaced only**, client to identify/describe gov't planned measures to compensate project affected persons (PAPs). Client develops an Environmental and Social Action Plan (ESAP) to complement gov't action to meet PS5.



Private Sector Responsibilities Under Government-Managed Resettlement

Private sector responsibilities

- Resettlement and Livelihood Restoration Planning and Implementation.
- Community Engagement and Grievance Mechanism.
- Compensation and Benefits for Displaced Persons.
- Monitoring – Resettlement Process and Livelihood Restoration.
- Private Sector Responsibilities under Government-Managed Resettlement (Supplement Resettlement Plan, Environmental and Social Action Plan).



Key Issues & Common Gaps



- Minimizing displacement (for example, alternatives).
- Focus on cash compensation.
- Eligibility criteria & entitlements.
 - Gaps in treatment of Informal settlers.
- Timing of compensation.
- Replacement value.
- Livelihood restoration.
- Monitoring & evaluation.
- Creating precedent and government challenges.



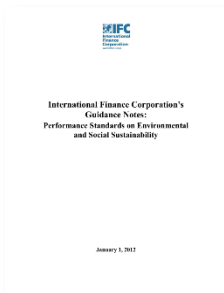
A group of people are gathered under a large, open-sided structure with a thatched roof made of wooden beams and palm fronds. The scene is overlaid with a semi-transparent blue filter. In the center, a woman in a purple top and a man in a white shirt are standing and talking. To the left, several men are sitting on a wooden bench, some wearing green t-shirts. To the right, more people are sitting on a bench, including a man in a white tank top. The background shows a dirt area and some buildings with thatched roofs. The text 'Q&A' is centered in a large, white, sans-serif font.

Q&A

PS5 Publications

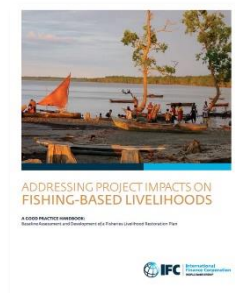


Guidance Notes



Guidance Notes to IFC's Performance Standards - Effective (January 1, 2012)

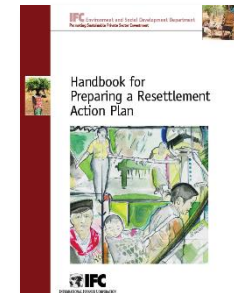
Good Practice Handbooks



Addressing Project Impacts on Fishing-based Livelihoods – A Good Practice Handbook: Baseline Assessment and Development of a Fisheries Livelihood Restoration Plan (2015)



Strategic Community Investment: A Good Practice Handbook for Companies Doing Business in Emerging Markets (2010)

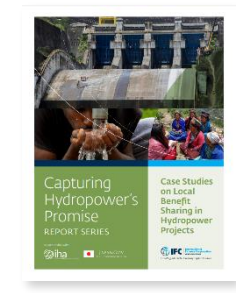


Handbook for Preparing a Resettlement Action Plan (2002)
Being Expanded and Updated



Investing in People: Sustaining Communities Through Improved Business Practice (2001)

Case Study



Capturing Hydropower's Promise: Case Studies on Local Benefit Sharing in Hydropower Projects (2020)

More resources are available at <http://www.ifc.org/ps5>

Other Resources



World Bank (2004):
Involuntary
Resettlement
Sourcebook.

ICMM (2015): Land
Acquisition &
Resettlement:
Lessons Learned.

Reddy, Gerry,
Smyth, Eddie and
Michael Steyn
(2015): Land Access
and Resettlement:
A Guide to Best
Practice. Sheffield,
Greenleaf
Publishing.