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**Guidance Note**  
**UNDP Social and Environmental Standards**

***Standard 5: Displacement and Resettlement***

## UNDP Guidance Notes on the Social and Environmental Standards (SES)

This Guidance Note is part of a set of operational guidance materials related to the [UNDP Social and Environmental Standards \(SES\)](#). UNDP's SES seek to (i) strengthen quality of programming by ensuring a principled approach; (ii) maximize social and environmental opportunities and benefits; (iii) avoid adverse impacts to people and the environment; (iv) minimize, mitigate, and manage adverse impacts where avoidance is not possible; (v) strengthen UNDP partner capacities for managing social and environmental risks; and (vi) ensure full and effective stakeholder engagement, including through mechanisms to respond to complaints from project-affected people.

The SES guidance notes follow a similar structure to assist users in finding specific information or guidance (however the SESP Guidance Note focuses on the steps of the screening process). The set of guidance notes will develop over time to include specific guidance on each of the SES Programming Principles, Project-level Standards, and elements of the Social and Environmental Management System (see Key Elements of the SES). The [SES Toolkit](#) is an on-line resource for the guidance notes and supporting materials.

### *How to Use This Guidance Note*

The target users for the SES guidance notes are staff, consultants, stakeholders and partners who are involved in developing, assessing and implementing projects that invoke UNDP's SES. To facilitate use of the overall package of SES guidance, users should understand that the guidance notes:

- Are structured around the process of **screening, social and environmental assessment, and management** (including monitoring).
- Assist in determining the applicability of relevant SES requirements in the screening process for all projects.
- Provide additional guidance for projects that require assessment and development of management measures (i.e. projects with Moderate, Substantial or High Risks related to a certain Principle or Standard).
- Provide a practical resource for implementing SES requirements to address potential social and environmental impacts within the context of the project cycle. Users do not necessarily need to read them in full but rather may select information that is specific to their needs.
- Complement and elaborate on the SES, which must be read in conjunction with the guidance notes (SES language is generally not repeated in the notes).
- Will continue to be developed as lessons are derived from implementation. Feedback is always welcome and can be sent to [info.ses@undp.org](mailto:info.ses@undp.org)

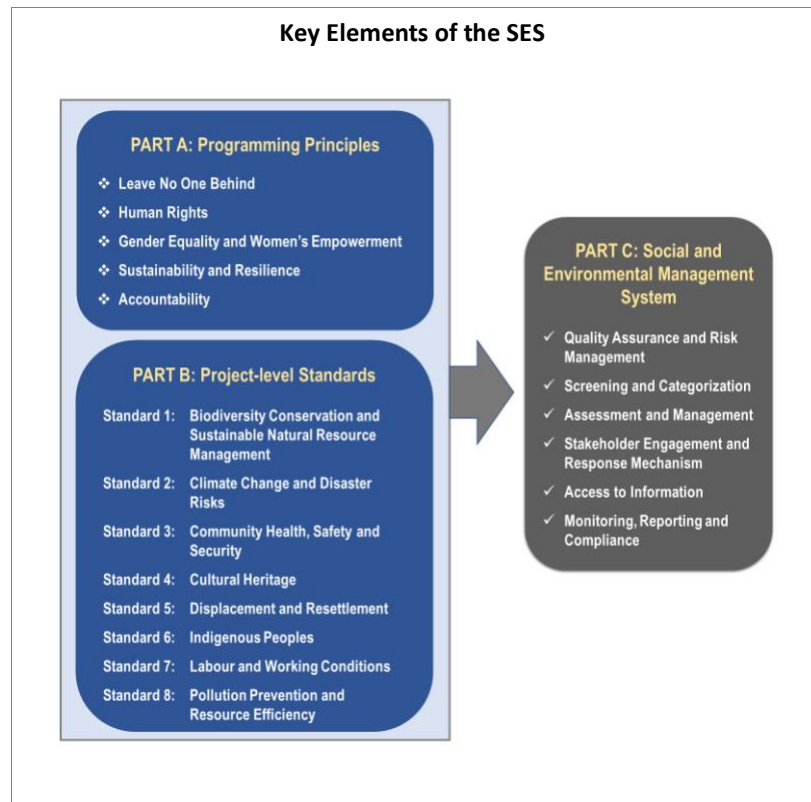
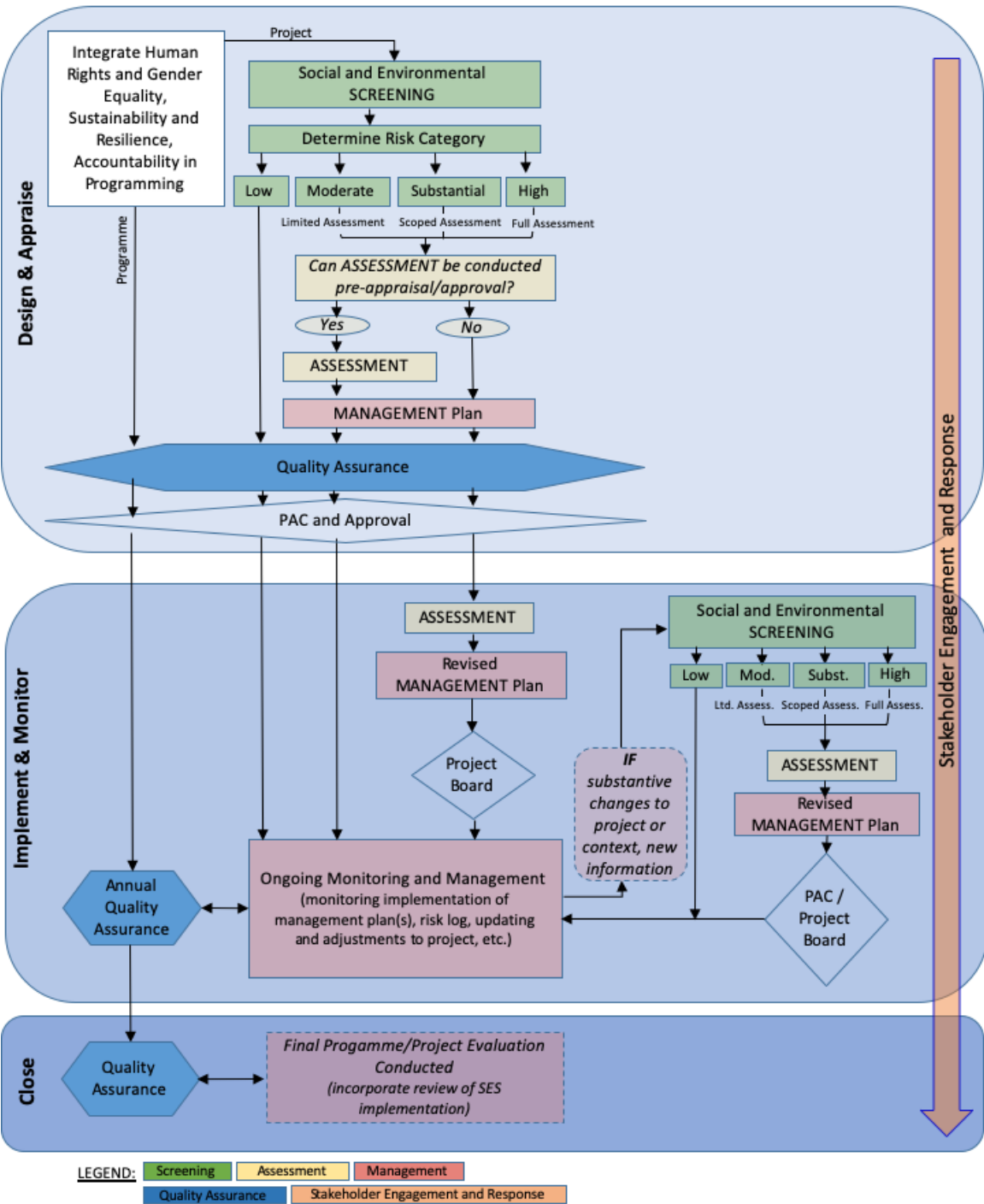


Figure 1. SES Implementation – Screening, Assessment and Management in the Programming Cycle



## Table of Contents

<b>WHAT'S NEW?</b>	<b>4</b>
<b>1. INTRODUCTION</b>	<b>5</b>
1.1 PURPOSE AND ORGANIZATION OF THIS GUIDANCE NOTE	5
<b>2. UNDERSTANDING THE BASICS OF STANDARD 5</b>	<b>7</b>
2.1 BACKGROUND	7
2.2 OBJECTIVES AND REQUIREMENTS	9
2.3 KEY CONCEPTS AND DEFINITIONS OF STANDARD 5	10
<b>3. SCREENING FOR POTENTIAL ADVERSE IMPACTS AND RISKS</b>	<b>11</b>
3.1 IDENTIFYING POTENTIAL RISKS OF DISPLACEMENT	11
3.2 DETERMINING THE APPLICABILITY OF STANDARD 5	12
<b>4. MEANINGFUL CONSULTATIONS AND PARTICIPATION</b>	<b>14</b>
<b>5. ASSESSMENT OF ADVERSE IMPACTS AND RISKS</b>	<b>15</b>
5.1 ADDRESS STANDARD 5 REQUIREMENTS IN THE SOCIAL AND ENVIRONMENTAL ASSESSMENT PROCESS	16
<i>Identify options that avoid and mitigate impacts</i>	16
<i>Assess socio-economic status and vulnerability of project-affected persons</i>	17
<i>Prohibit forced evictions</i>	18
<i>Assess legal framework and institutional capacity</i>	19
<i>Ensure appropriate expertise</i>	19
<i>Timing of assessments and management plans</i>	19
<b>6. DEVELOPMENT OF MANAGEMENT MEASURES</b>	<b>20</b>
6.1 ADDRESS STANDARD 6 REQUIREMENTS IN ACTION PLANS AND MANAGEMENT MEASURES	20
<i>Address prior displacement</i>	20
<i>Provide access to information, legal counsel, and remedies</i>	21
<i>Negotiated settlements</i>	21
<i>Develop plans for displacement</i>	22
<i>Addressing physical displacement</i>	24
<i>Addressing economic displacement</i>	29
<i>Access restrictions</i>	32
<i>Grievance redress</i>	33
<b>7. MONITORING IMPLEMENTATION OF ACTION PLANS</b>	<b>33</b>
ANNEX 1. RESETTLEMENT ACTION PLAN – TEMPLATE	35
ANNEX 2. LIVELIHOOD ACTION PLAN – TEMPLATE	39
ANNEX 3. RESETTLEMENT/LIVELIHOOD ACTION FRAMEWORK – TEMPLATE	43
ANNEX 4. PROCESS FRAMEWORK – TEMPLATE	44
ANNEX 5. RESOURCES, TEMPLATES	46

## What's New?

### Key changes to SES Standard 5: Displacement and Resettlement in revised SES (2020 version) and relevant issues addressed in updated S5 Guidance Note:

- *Improve livelihoods of displaced persons:* Further recognition added that compensation is not fully adequate to address the potential severe adverse impacts of resettlement. S5 includes multiple additional points of emphasis that the objective of resettlement planning is to seek to improve the socioeconomic status, pre-displacement productive capacity and earning potential of displaced persons through a combination of compensation, transitional support and development assistance.
- *Collaborative process:* Additional objective added to emphasize collaborative nature of resettlement planning and implementation with those affected.
- *Exceptions:* Exceptions (SES S5 para. 5) to application of S5 requirements have been added (i.e. genuine voluntary market transactions, noting that requirements do apply if people other than the seller are displaced by the sale; and access restrictions adopted through community-based natural resource management arrangements, with emphasis that such processes must reflect voluntary, informed consensus) (see Section 3.2)
- *Minimal impacts:* Provision added that where displacement impacts are considered minimal, an ESIA may not be required (see Section 3.2). Instead, negotiated settlements may be reached that provide fair and just compensation for lost assets in accordance with the S5 requirements (SES S5 para. 8c; see Section 5.1). In addition, an abbreviated action plan may be utilized where impacts are considered minor (SES S5 para. 12; see Section 6.1).
- *Framework approach:* Acknowledgement added that a resettlement/livelihood action framework may need to be utilized where specific locations (or other such essential information) may not yet be fully known and/or when the required assessments cannot yet be conducted (SES S5 para. 11; see Section 5.1 and Annexes).
- *Process framework:* The S5 Guidance Note includes information on the use of process frameworks where project activities may result in access restrictions to resources in legally designated protected areas or other common property resources (Section 6.1 and Annex 3).
- *Monitoring:* Additional provisions added regarding development of a monitoring plan to assess impacts on standards of living, independent monitoring, periodic reporting, completion analysis and corrective actions (SES S5 para. 17; Section 7)
- The S5 Guidance Note includes additional sections and material to address the above points. It also includes a new section on meaningful consultations and participation in resettlement planning and grievance mechanisms.

# 1. Introduction

## 1.1 Purpose and Organization of this Guidance Note

This Guidance Note provides operational guidelines for addressing the requirements of Standard 5 Displacement and Resettlement during the development and implementation of UNDP projects. **Table 1** below outlines key considerations of Standard 5 during the process of screening, assessment, and development of management measures.

**Figure 1** (above) provides a general overview of SES implementation in UNDP's project cycle. It should be noted that screening, assessment, and management may occur at different stages of the cycle.

This Guidance Note includes the following sections:

- **Section 2** begins with an introduction to the objectives, key concepts and an overview of the requirements of Standard 5.
- **Section 3** discusses how to determine if the Standard is relevant by applying the Social and Environmental Screening Procedure (SESP). It also discusses the assignment of a risk category to projects that may involve displacement.
- **Section 4** emphasizes the importance of meaningful consultation and participation processes throughout resettlement planning and implementation.
- **Section 5** addresses the integration of the requirements of Standard 5 into the social and environmental assessment process.
- **Section 6** addresses the development of measures to avoid, and where avoidance is not possible, mitigate, and manage risks and impacts associated with project-related displacement.
- **Section 7** addresses the requirements to carefully monitor the implementation of any resettlement activities.
- **Annexes** provide additional templates and resources.

**Table 1. Quick overview of key steps for addressing Standard 5 requirements**

<b>Screen to identify potential displacement risks and impacts (Section 3)</b>	<ul style="list-style-type: none"> <li>✓ Utilize SESP to identify if proposed activities may pose risks of physical or economic displacement (including risks of forced evictions, changes in land tenure arrangements, access restrictions)</li> <li>✓ Categorize potential displacement risks and impacts based on magnitude (number of potentially affected, severity of impacts) and likelihood that activities will cause displacement</li> <li>✓ Develop initial Stakeholder Engagement Plan and engage as early as possible with potentially affected communities and individuals to understand their preferences and concerns</li> </ul>
<b>Avoid, minimize and assess potential risks and impacts (Sections 4 and 5)</b>	<ul style="list-style-type: none"> <li>✓ Consider all feasible project alternatives and measures to avoid displacement. Where a comprehensive options assessment indicates that displacement is unavoidable, minimize its potential scale</li> <li>✓ Undertake an assessment to identify potentially affected persons, lands, and assets through census, socio-economic surveys and evaluations, and asset inventories. Assess all direct and indirect impacts. Assess potential risks at any resettlement areas/sites and risks associated with relocation within host communities</li> <li>✓ Prohibit forced evictions, allowing evictions in exceptional circumstances only, ensuring any such evictions are consistent with national law and international human rights standards, follow due process standards and provide full and fair compensation</li> <li>✓ 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 throughout the project cycle. In cases of physical displacement, ensure consultations and information sharing also with host communities</li> </ul>
<b>Mitigate and manage potential displacement risks and impacts (Section 6)</b>	<ul style="list-style-type: none"> <li>✓ Develop appropriate action plans (Resettlement/Livelihood Action Plan/Framework) to mitigate adverse impacts from land acquisition or restrictions on affected persons' use of and access to land, physical assets or natural resources</li> <li>✓ Provide access to information, legal counsel and remedies to affected persons</li> <li>✓ Negotiate good faith settlements where possible</li> <li>✓ Seek to improve and restore the livelihoods, income-earning capacity and standards of living of displaced persons, including those who have no legally recognizable rights or claims to the land (who are present in the project-affected area at time of cut-off date), and support them during the transition period</li> <li>✓ Define entitlements and eligibility criteria and how compensation and rehabilitation measures will be structured. Ensure compensation and assistance provided prior to any displacement</li> <li>✓ Make special provisions for disadvantaged or marginalized individuals or groups such as elderly, women and children, persons with disabilities who 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 benefits</li> <li>✓ Consider gender-based differential impacts of physical and economic displacement, recognizing that women have different needs and access to resources and decision-making than men</li> <li>✓ Explain how resettlement/livelihood restoration costs will be financed, including costs for land acquisition, resettlement, income restoration, implementation and administration, and monitoring</li> <li>✓ 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 effective and impartial manner</li> </ul>
<b>Monitor implementation (Section 7)</b>	<ul style="list-style-type: none"> <li>✓ Ensure monitoring of action plans and all mitigation measures, including independent monitoring, participatory monitoring and undertake a completion evaluation to assess whether objective of enhancing and restoring livelihoods of displaced persons has been achieved</li> </ul>

## 2. Understanding the Basics of Standard 5

### 2.1 Background

To accomplish necessary public interest objectives, including, for example, renovating building infrastructure, constructing a health clinic, building a road, establishing a protected area, reducing disaster risk, among other objectives, UNDP-supported activities may sometimes involve physical or economic displacement of individuals or communities (referred to as “development-induced displacement”).<sup>1</sup>

Physical displacement occurs when individuals or communities are fully or partially no longer able to occupy an area due to project-related activities and must relocate to a new location. Economic displacement occurs when individuals or communities are fully or partially restricted in their access to land or resources that are important to their livelihoods.

“Resettlement” in the context of Standard 5 refers to the process of addressing the impacts of development-induced displacement, including physical relocation and economic rehabilitation to enhance and restore livelihoods and living standards of those affected.

Standard 5 recognizes that changes in land tenure arrangements and access to resources can lead to displacement. It also recognizes that restrictions in access can be caused not only by physical and legal barriers, but also by the diminishment in quality or quantity of natural resources, i.e., through environmental destruction or degradation. The standard also recognizes that when displacement cannot be avoided, it must be done in a way that minimizes and mitigates risks and impacts on a community or individuals.

#### Box 1. Normative Basis for Standard 5 (partial listing)

- UNDP’s commitment to a [human rights-based approach to development](#) - Displacement activities may impact a wide range of rights, including rights to adequate housing, food, water, health, education, work, security of the person, security of the home, freedom from cruel, inhuman and degrading treatment, freedom of movement, and access to sites of spiritual and cultural concern, among others.
- International legal instruments that prohibit forced evictions, including the [Universal Declaration of Human Rights](#); [International Covenant on Economic, Social and Cultural Rights](#); [Convention on the Rights of the Child](#); [Convention on the Elimination of All Forms of Discrimination against Women](#); [International Convention on the Elimination of All Forms of Racial Discrimination](#).
- The [UN Basic Principles and Guidelines on Development-based Evictions and Displacement](#), which reflect human rights norms related to evictions and displacement. See also the [UN Guiding Principles on Internal Displacement](#).
- Food Agriculture Organization’s [Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security](#).

Mismanaged displacement can exacerbate poverty and/or heighten risk for the individuals and jeopardize the social capital of communities displaced. In particular, this encompasses enjoyment of their rights, livelihoods, housing security, food security, emotional and mental wellbeing, as well as community and social cohesion.

Both physical and economic displacement put a significant strain on individuals and communities, even when properly managed. Where impacts are neglected or resettlement activities are mismanaged, it can foster social and political unrest and instability, threaten project success, and otherwise undermine efforts of UNDP to advance human and sustainable development. Standard 5 spotlights that individuals and communities who are

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<sup>1</sup> SES Standard 5 establishes requirements to avoid, minimize and mitigate the risks and impacts of development-induced displacement. It does not address other forms of displacement, such as those related to refugees, internally displaced persons, or disaster-induced displacement.



marginalized, dependent on local natural resources, and/or lack tenure security, may be particularly vulnerable to impacts in the context of displacement.

SES Standard 5 ensures that displacement is avoided whenever possible. When displacement has been identified as necessary, it must be pursued and performed in a manner that is consistent with international and national standards (see **Box 1**). These standards require full justification and other forms of legal protection, and prescribe that displacement occurs only in exceptional circumstances, and then supported with relief, relocation and full and fair compensation.<sup>2</sup> Risks related to potential displacement are to be systematically assessed.

Displacement not performed in a manner consistent with international and national legal standards is considered a 'forced eviction.' A key objective of the Standard is to prohibit forced evictions in the context of UNDP-supported activities. The former UN Commission on Human Rights (now Human Rights Council) stated, "the practice of forced eviction constitutes a gross violation of human rights, in particular the right to adequate housing."<sup>3</sup> **Box 2** identifies a range of situations that contribute to the risk of forced evictions.

The prohibition against forced evictions is found in several international legal instruments.<sup>4</sup> The UN Basic Principles and Guidelines on Development-Based Evictions and Displacement, cited in the SES, recognize that forced evictions are often linked to the absence of legally secure tenure.<sup>5</sup> Standard 5 reflects that UNDP's approach to land tenure in the context of displacement activities is based on FAO's 'Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.'<sup>6</sup> These guidelines notably reflect that legitimate tenure rights include not only rights that have already been formally recorded, but also rights of indigenous peoples and other communities with strong ties to land and resources and customary tenure systems that have not been recorded, titled, and/or are not receiving protections. The guidelines urge appropriate recognition and protection of these tenure rights consistent with existing obligations under national and international law.

All project-affected people impacted by physical or economic displacement are entitled to being considered in respective planning instruments (Resettlement Action Plan/Livelihood Action Plan) regarding appropriate forms of compensation, including those without legally recognized tenure or claims.

Finally, Standard 5 recognizes that projects involving displacement can, and should, improve the standards of living of the displaced. Living standards can be improved, for example, by increasing economic opportunities, enhancing

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<sup>2</sup> The UN Basic Principles and Guidelines on Development-based Evictions and Displacement note, in para. 37, for example, 'Urban or rural planning and development processes should involve all those likely to be affected and should include the following elements: (a) appropriate notice to all potentially affected persons that eviction is being considered and that there will be public hearings on the proposed plans and alternatives; (b) effective dissemination by the authorities of relevant information in advance, including land records and proposed comprehensive resettlement plans specifically addressing efforts to protect vulnerable groups; (c) a reasonable time period for public review of, comment on, and/or objection to the proposed plan; (d) opportunities and efforts to facilitate the provision of legal, technical and other advice to affected persons about their rights and options; and (e) holding of public hearing(s) that provide(s) affected persons and their advocates with opportunities to challenge the eviction decision and/or to present alternative proposals and to articulate their demands and development priorities. This document was prepared by the UN Special Rapporteur on Adequate Housing, and acknowledged by the Human Rights Council in 2007. As reflected in [Strengthening the United Nations Human Rights Treaty Body](#), produced by the Office of the UN High Commissioner for Human Rights in June 2012, it provides authoritative guidance for UNDP staff.

<sup>3</sup> Resolution 1993/77

<sup>4</sup> Additionally, the UN Committee on Economic, Social, and Cultural Rights (ICESCR) provides authoritative guidance related to forced evictions in General Comment No. 7 (as described in greater detail below). General Comment No. 4 by ICESCR interprets the right to adequate housing.

<sup>5</sup> See footnote 2.

<sup>6</sup> Available at <http://www.fao.org/docrep/016/i2801e/i2801e.pdf>.

tenure security, increasing access to needed natural resources, investments in productive assets, and other measures. *Given the potential severe social and economic impacts associated with displacement, displaced persons are to be provided a combination of compensation, transitional support and assistance that aims to improve and enhance pre-displacement productive capacity and earning potential of displaced persons, with avoidance of any deterioration of socioeconomic status and restoration of livelihoods considered a bare minimum.*

Efforts by UNDP to create and/or pursue opportunities to progressively realize human rights in the context of projects involving potential displacement and resettlement can significantly assist efforts to improve living standards. Standard 5 details measures that support realization of such rights, including, for example, the rights to adequate housing, food, education, adequate standard of living, and related rights.

Note that if indigenous peoples are potentially displaced, Standard 6 Indigenous Peoples also applies.

**Box 2. Situations that can lead to forced evictions, as identified by the Office of the High Commissioner on Human Rights<sup>7</sup>**

<ol style="list-style-type: none"> <li>1. Urban and rural development projects, such as dams or roads</li> <li>2. Mining, extractive and other industrial activities</li> <li>3. City beautification, urban renewal/transformation, including disaster prevention</li> <li>4. Zoning, urban and spatial planning</li> <li>5. “Mega” events, such as major international and sporting events</li> <li>6. Large-scale land acquisitions and leases</li> <li>7. Privatization and/or speculation in housing and land</li> <li>8. Lack of legal security of tenure, protective legislation or implementation</li> <li>9. Changes related to housing and land in countries in transition to a market economy</li> <li>10. Non-deliverance or non-recognition of titles to land and housing, including unsettled land claims</li> <li>11. Slum clearance and criminalization of poverty</li> <li>12. Corruption and collusion between public and private interests</li> <li>13. Real estate and private business actions, including real estate mobbing and fraudulent lending</li> </ol>	<ol style="list-style-type: none"> <li>14. Land grabbing, including by armed groups and paramilitaries</li> <li>15. Discriminatory laws and practices, including in relation to inheritance</li> <li>16. Living in informal settlements because of poverty or because of displacement owing to natural or human causes, rural-urban migration or other causes</li> <li>17. Unaffordability and gentrification</li> <li>18. Defaulting on rent or mortgage payments/foreclosures</li> <li>19. Domestic violence or abuse</li> <li>20. Housing tenure linked to employment permits (for instance, in the case of domestic or seasonal workers)</li> <li>21. Political and ethnic conflicts using eviction, housing demolition and displacement as a weapon of war, for ethnic cleansing and population transfers</li> <li>22. International and non-international armed conflicts and the targeting of civilian homes, including for collective punishment</li> <li>23. So-called counter-terrorism measures</li> <li>24. Punitive and retaliatory “law and order” actions.</li> </ol>
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## 2.2 Objectives and Requirements

The objective of Standard 5 is to ensure that UNDP does not support forced evictions, seeks to avoid other physical and economic displacement, and supports such displacement only in exceptional circumstances and in a manner consistent with national and international standards and informed risk management.

More specifically, objectives listed in Standard 5 include:

- To recognize and respect the prohibition on forced evictions

<sup>7</sup> UN Office of the High Commissioner for Human Rights, UN Habitat, Factsheet No. 25, *Forced Evictions*, 2014, p. 9. <http://www.ohchr.org/Documents/Publications/FS25.Rev.1.pdf>.

- To anticipate and avoid, or, when avoidance is not possible, minimize adverse social and economic impacts from land or resource acquisition or restrictions on land or resource use
- To enhance and restore the livelihoods of all displaced persons, and to improve the standards of living and overall socioeconomic status of displaced poor and other displaced groups and to support efforts to progressively realize the rights to adequate housing and adequate standards of living for displaced populations
- To ensure that resettlement activities are planned and implemented collaboratively with the meaningful and informed participation of those affected.

The requirements contained in Standard 5 seek to further these objectives and should be carefully reviewed in order to inform project screening and development.

## 2.3 Key Concepts and Definitions of Standard 5

**Economic Displacement:** Displacement that occurs when individuals or communities are restricted, partially or fully, in their access to land or resources that are important to their means of livelihood or economic well-being.

**Forced Evictions:** Forced evictions involve “the permanent or temporary removal against their will of individuals, families and/or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection.”<sup>8</sup> Forced evictions do not include all involuntary evictions, but rather those that fail to ensure and implement legal protections for evicted individuals and communities, including protections provided by national and international law (whichever is the higher standard) and full and fair compensation.<sup>9</sup> Forced evictions include both physical and economic displacement activities that are not consistent with these standards. More information can be found in the 2014 [Factsheet on Forced Evictions](#) from the Office of the High Commissioner on Human Rights and UN Habitat. Page 35 of this document details the responsibilities of UN agencies with respect to forced evictions.

**Host community** refers to 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.

**Livelihood:** The full range of means that individuals, families, and communities utilize to secure necessities of life – food, water, shelter, clothing, medicine – and includes, for example, wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade, and bartering.

**Physical Displacement:** Displacement, whether full or partial and permanent or temporary, that occurs when individuals or communities are no longer able to physically occupy an area and must relocate to a new location. Physical displacement often is involuntary whereby people are obliged to leave their homes or places of habitual residence but may also involve voluntary relocation.

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<sup>8</sup> UN Office of the High Commissioner on Human Rights and UN Habitat, Forced Evictions, Fact Sheet No. 25/Rev. 1, 2014, p. 3, available at <http://www.ohchr.org/Documents/Publications/FS25.Rev.1.pdf>.

<sup>9</sup> See, particularly, UN Basic Principles and Guidelines on Development-based Evictions and Displacement, A/HRC/4/18.

### 3. Screening for Potential Adverse Impacts and Risks

#### 3.1 Identifying Potential Risks of Displacement

UNDP's Social and Environmental Screening Procedure (SESP) should be utilized early in project design to help identify potential social and environmental risks and impacts. A full reading of the requirements of Standard 5 will help in the risk identification process and improve the quality of project screening.

The screening process helps UNDP staff and other stakeholders to identify (1) activities that involve displacement-related issues, (2) the potential risks and impacts of such activities and their significance, and (3) requirements of Standard 5 that need to be addressed in project design and implementation, including as part of overall **impact assessment, management and mitigation, stakeholder engagement and monitoring activities**. The UNDP SES Guidance Note on the Social and Environmental Screening Procedure (see the [SES Toolkit](#)) provides more specific guidance on the process of determining when a given standard, such as Standard 5, applies.

The Social and Environmental Risk Screening Checklist (attachment 1 of the SESP) includes a range of questions specific to displacement risks and impacts. **Table 2** below provides additional guidance on these screening questions related to Standard 5.<sup>10</sup>

When screening for potential displacement risks and impacts, it is important to recall that: (i) **all activities** outlined in the Project Document (e.g. in Results and Resources Framework) are screened and reviewed for potential direct and indirect impacts in the project's area of influence, and (ii) project activities are screened for potential social and environmental risks **prior to the application of planned mitigation and management measures** in order to form a clear picture of potential risks in the event that mitigation measures are not implemented or fail. Risks should be identified and quantified as if no mitigation or management measures were to be put in place.

**Table 2. Guidance for Responding to Standard 5 Risk Based Questions in SESP**

*(numbers refer to displacement-related screening questions in SESP)*

*Would the project potentially involve or lead to:*

**5.1. temporary or permanent, and full or partial physical displacement (including people without legally recognizable claims to land)?**

Guidance: The first SESP question highlights the risk of individuals or communities having to physically relocate from their homes or places of habitual residence. Such relocation may be short-term, long-term, partial (from only part of the area occupied), or full (from the entire area). Although the rights of individuals and communities occupying a given area may vary between individuals and communities, and eligibility for compensation and assistance may not be the same, all individuals and communities are entitled to due process and other protections to determine their relationship to the area before they are displaced. Such protections are reflected in the SES.

Examples: A road rehabilitation and expansion project may require the physical displacement and resettlement of communities living in the area in which rehabilitated and new road segments will be built (with potential other significant impacts along the entire corridor and beyond).

<sup>10</sup> In developing and screening projects, it is important to also consider whether project activities would incentivize communities to remain in high-risk areas and thus increase their vulnerability and exposure to higher levels of risk (e.g. disasters such as flooding, landslides, etc.) This issue is addressed in the SESP under climate change issues (question 2.3 of the screening template). Assessment of such project risks should be identified and options considered, which potentially may include relocation.

**5.2. economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions—even in the absence of physical relocation)?**

Guidance: The second SESP question highlights the risk of individuals or communities losing or having reduced access to natural resources on which they depend for their livelihoods and sustenance, including agricultural lands, water, forests, clean air, etc. Reduced access can occur through laws, policies, or regulations, and/or physical barriers to entry or access. Physical barriers to access may include not only walls, gates, armed personnel, etc., but also pollution or degradation of the resource. This reduction in access may be temporary or permanent. Again, rights of displaced individuals and communities may vary, but all are entitled to due process and this can be facilitated through application of the SES.

Examples: A project to establish a protected area may involve restrictions on access to natural resources such as wood, and result in the economic displacement of individuals and communities that rely on use of that wood. Or a road building/widening project to improve market access may reduce farmers' arable lands, diminishing livelihoods.

**5.3. risk of forced evictions?**

Guidance: The third question requires consideration of whether the proposed displacement activity is poised to occur without the provision of, and access to, appropriate forms of legal or other protection. Displacement that is not carried out in accordance with national law and in conformity with the provisions of international human rights treaties is considered a 'forced eviction' that is strictly prohibited under international law, and requires particular attention under Standard 5.

Examples: A project that would physically displace individuals or communities without adequate notice, consultation, access to legal support, or compensation would pose significant risks of forced evictions, e.g., a project to expand urban public transport that displaces residents, or a project to create a new protected area that encompasses villages and proposes relocation.

**5.4. impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?**

Guidance: This question requires screeners to consider whether activities relating to or impacting tenure rights may lead to displacement (either physical or economic, partial or full). It requires that the land tenure arrangements be carefully reviewed in the project area(s), noting that Standard 5 requirements apply to those with formally recognized land tenure rights and claims as well as those whose land tenure rights/claims have not been formally recognized (as may be the case for customary tenure systems of indigenous peoples and other communities). Notable activities in this regard include 'land reform' and 'land mapping.' The Voluntary Guidelines on the Responsible Governance of Tenure provide more information about the need to address the potential impacts of such activities and how this can be done.<sup>11</sup>

Examples: A project to support titling of lands would affect land tenure and community-based and/or customary rights. While seeking to provide greater security of tenure, the titling project may exclude certain types of ownership and usage rights and practices that could displace certain communities and individuals.

## 3.2 Determining the Applicability of Standard 5

Standard 5 notes that the requirements apply to all UNDP activities that may involve physical displacement (i.e. relocation or loss of shelter), whether full or partial and permanent or temporary, or economic displacement (i.e. loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land or resource acquisition or restrictions on land use or access to resources (including through project externalities such as pollution and impacts to biodiversity or ecosystem services) that people depend on for physical, economic, social, cultural, or spiritual well-being.

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<sup>11</sup> The Voluntary Guidelines on Responsible Tenure are available at <http://www.fao.org/docrep/016/i2801e/i2801e.pdf>.

This Standard also applies to displacement activities occurring for associated facilities (i.e. facilities or activities that are not funded as part of the project but are directly related to the project, are carried out or planned to be carried out contemporaneously with the project, and are necessary for the project to be viable and would not have been conducted, constructed or expanded if the project did not exist).

In addition, the requirements of Standard 5 apply to situations where displacement has occurred prior to but in anticipation of the project. See Section 6.1 below.

Standard 5 does not apply to voluntary, legally recorded market transactions in which the seller is fully informed about available choices and has the genuine right to retain the land and refuse to sell it (e.g. the transaction does not rest on the threat of compulsory acquisition). Dedicated due diligence is required to ensure that it is a “willing buyer/willing seller” transaction whereby the seller truly has the right to retain the land and is not compelled to sell it. The due diligence seeks to confirm: (a) functioning land markets exists; (b) the transaction has taken place with the owner’s informed consent; (c) the owner was aware that it was possible to refuse to sell, and would not be subject to compulsory acquisition; and (d) the owner was paid a fair price based on prevailing market values. These conditions also apply where third parties, for example, land consolidators or aggregators, land developers, or other agents, are acting on behalf of the local or national authority. This may involve reviewing relevant agreements and meeting relevant parties.

However, if the voluntary sale may displace people other than the seller – those who occupy, use, or claim rights to the land in question – then the Standard 5 requirements need to be followed.

The Standard also does not apply to restrictions of access to natural resources under community-based natural resource management arrangements (e.g. the establishment of a community conserved area) where the relevant community decides to restrict its own access to these resources based on an appropriate community-decision making process that reflects voluntary, informed consensus.

Any “yes” responses to the above screening questions indicate the potential for displacement risks that need to be summarized in the SESP template, with a determination of significance based on potential Likelihood and Impact. When the significance of a potential risk is judged to be Moderate, Substantial or High, then Standard 5 is considered applicable and this is then recorded in the template.

Recall that the assignment of an overall risk categorization of the project is typically based on the highest level of significance of any one risk. For example, if five different risks were identified, one with a high level of significance and the other four with a moderate level of significance, the project would be categorized as High Risk.

Projects involving physical resettlement and/or economic displacement generally present significant adverse risks and impacts, typically resulting in a categorization of Substantial Risk or High Risk depending on the scale and magnitude of the displacement. Therefore such projects generally require an ESIA (full or scaled).

However, a project with displacement risks and impacts could be categorized as Moderate Risk where the potential impacts are considered minor. This would be the case where affected persons are relatively few in number, there is generally no physical displacement,<sup>12</sup> and the activities involve minor land acquisition (e.g. affecting less than 10 percent of productive assets) and do not have significant adverse livelihood impacts. In such cases, UNDP may determine that its requirements could be met with application of standard best practice and mitigation measures without the need for an ESIA. An abbreviated action plan may be sufficient to address the impacts and the Standard 5 requirements. See Section 6.1 for information on abbreviated action plans.

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<sup>12</sup> The impacts of physical displacement can be significant even where small numbers are involved. However, there may be situations where the relocation of very few individuals and/or families may be accomplished per the Standard 5 requirements without the need for an ESIA.

See **Table 3** for examples of Low, Moderate, Substantial and High Risks related to Standard 5.

Table 3. Indicative Examples of Risk Significance related to Standard 5	
Risk Significance	Example
Low	Projects that support capacity development of government ministries and agencies with land administration responsibilities (e.g. natural resources, public lands, forestry, agriculture, energy). Capacity development activities themselves are likely to be considered low risk. However, project screeners should question whether supported activities could be associated with implementation of policy measures that may cause displacement (e.g. changes in usage rights, imposition of access restrictions), and if so, ensure that the risk significance level is appropriately reflected.
Moderate	UNDP support for efforts to rehabilitate a school, requiring very temporary (a few months) restriction of access to forested areas normally utilized by, but not critically important to the physical or cultural wellbeing, of several families – and alternative forested areas/resources are available to meet needs of these families. The impacts are temporary and rather easily remediated.
Substantial	UNDP support for road rehabilitation as part of an effort to improve market access. The road widening and expansion may affect up to 100 people, including the need for some families to be physically relocated. Livelihood impacts include loss of assets and favorable locations for small retail.
High	UNDP support for a project to establish a national protected area in an area claimed as indigenous lands. Or, a project that proposes to relocate several hundred community members away from an area threatened by rising sea levels.

## 4. Meaningful consultations and participation

The key objective in resettlement planning – that is, developing appropriate measures to address the risks and impacts of both physical and economic displacement – is to enhance and restore the livelihoods of all displaced persons in real terms relative to pre-project levels. Achieving this objective requires engaging the displaced persons and host communities in a transparent and collaborative planning process regarding choices they can make concerning their future.

In addition, action plans prepared in consultation with and participation of the displaced persons and host communities help ensure fewer complaints and the potential for legal actions, which can slow down project implementation and elevate costs. Such costs can dramatically escalate when displaced persons feel aggrieved (see **Box 3**).

Consultations must be undertaken with project-affected persons, including host communities. Consultations for projects with Substantial or High displacement risks will necessarily be more extensive than for projects with relatively minor displacement risks and impacts. Project proponents need to allocate adequate time to address concerns and suggestions about the project by adjusting the schedule for project design and implementation. The affected persons need to be given sufficient time for consensus building and developing responses to project issues and options.

The UNDP SES Guidance Note on Stakeholder Engagement addresses key SES requirements and criteria of meaningful consultations (see [SES Toolkit](#)). The project stakeholder engagement plan needs to include indicators/benchmarks regarding participation and include measures for verification. For projects that may involve potential displacement, consultations need to:

- start early and be carried out on a continual basis throughout the project cycle

- provide information on the nature of the project, consideration of alternatives, and the scope of potential land acquisition and/or access restrictions
- adequately inform the affected persons of the project's potential adverse displacement impacts and proposed mitigation measures
- explain the resettlement objectives, options and entitlements (for both physical and economic displacement)
- ensure that affected persons have the opportunity to influence action plans early on and during implementation
- provide access to effective remedies and legal counsel for potentially displaced persons to understand their rights and options
- ensure there is no coercion or intimidation so affected persons can freely express their views
- be gender-inclusive and tailored to needs of disadvantaged and vulnerable groups
- explain the monitoring process and how affected persons can participate.

### Box 3. Common challenges in resettlement planning

Many challenges arise during resettlement planning that need to be addressed through consultations and development of action plans, including the following

- Increasing pressure on project costs and time reduces emphasis on critical meaningful consultation and transparent planning
- Survey and census design, implementation and quality control take time and causes delays
- Defining replacement value of land and assets may be difficult where there are poor land records and/or no well-functioning markets
- Lack of adequate replacement land
- Compensating for communal assets
- Replacing informal incomes

Project-affected disadvantaged and marginalized people may face barriers to participating in consultation events or discussion forums and the project should adopt additional measures to facilitate their participation, for example, through provision of transportation to consultation venues, or visits to individual households for consultation purposes.

Stakeholder engagement will also need to focus on helping address the concerns of host communities. Host communities will require clear information to understand the proposed resettlement process and details. Key issues of concern may involve the following: how many newcomers will be resettled to the community and when? Will community service and infrastructure be negatively affected and what are the proposed mitigation measures? What are the benefits for the host community?

Such concerns should be anticipated by the project's Stakeholder Engagement Plan as well as in the project action plan.

## 5. Assessment of Adverse Impacts and Risks

If Standard 5 is determined to be applicable, the requirements need to be met in project design and implementation, including through impact assessment, application of management and mitigation measures, stakeholder engagement and monitoring activities. The assessment and management measures must respond to relevant requirements of all applicable SES Principles and/or Standards, not just those of Standard 5.

The general steps and requirements for assessing the potential social and environmental impacts of Moderate, Substantial and High Risk Projects are outlined in the UNDP Guidance Note on Social and Environmental Assessment and Management in the [SES Toolkit](#). Moderate Risk Projects require targeted forms of social and environmental assessment while Substantial and High Risk Projects require more comprehensive forms of assessment, i.e. Environmental and Social Impact Assessment (ESIA) or Strategic Social and Environmental Assessment (SESA).



## 5.1 Address Standard 5 Requirements in the Social and Environmental Assessment Process

Standard 5 contains a range of requirements that need to be addressed during the social and environmental assessment process. Not all requirements may be relevant to a particular project (e.g. provisions related to physical resettlement may not be relevant if the project only involves risks of economic displacement).

The paragraphs below provide additional guidance on how to address various Standard 5 requirements in the social and environmental assessment process, where relevant.

### *Identify options that avoid and mitigate impacts*

Given the potential adverse impacts to communities from displacement, UNDP must *first seek to avoid displacement* in activities it supports. To accomplish this, UNDP must identify and consider options that avoid displacement, including the ‘no action’ scenario (i.e. what would be the situation absent any project intervention).

When displacement cannot be avoided, UNDP and project proponents must identify, evaluate, and pursue options that are least impactful and/or most beneficial (such as when physical relocation might be considered a potential option to avoid or reduce exposure of communities to disaster risks).

Identifying options is an important focus of the assessment process. The analysis of alternatives should not only consider how to avoid and mitigate impacts, but also how to advance fulfillment and protection of human rights in the context of activities that may involve displacement.

Identifying and evaluating options first requires an understanding of relationships of potentially affected populations to lands and resources that may be impacted by the project. These relationships can be ascertained through studies, informal and formal surveys and discussions with communities and other stakeholders and experts. These relationships usually fall into the categories outlined in **Box 4**.

Evaluating options additionally requires consideration of the full range of potential adverse impacts to these potentially displaced populations. Considering impacts and selecting a preferred alternative must occur through robust consultations with these populations during the social and environmental assessment process. It is critical to note that displacement can have non-anticipated adverse impacts that will need to be identified, monitored and remedied.

Where physical relocation is considered a potential option – which may include initiatives to avoid or reduce community exposure to disaster risks – risk-assessments of potential relocation sites should determine that such ‘move-to’ locations are safer (e.g. not prone to equal or higher levels of risk from floods, landslides, earthquakes, etc.). Assessments need to address whether sites can fulfill adequate housing criteria (see section 6.1).

As described in greater detail below, mitigating impacts to affected populations involves not only identifying and incorporating the least impactful option into project plans, but also implementing a robust process through which

#### **Box 4. Categories of individuals/communities in relation to land/resources**

1. Individuals and communities with government-issued title or other formal government recognition of rights or claims to land and resources
2. Individuals and communities without formal government recognition of rights or claims but with rights to property recognized under international law (e.g. indigenous communities and other communities with customary tenure systems)
3. Individuals and communities without government-issued title and without rights to property under national or international law – also known as informal settlers.
4. Individuals who have occupied an area in anticipation of the activity, primarily intending to receive compensation or other benefits related to resettlement.

*Note:* It is important to presume that all who occupy the area are eligible for some form of assistance and/or compensation. This is typically managed by establishing a cut-off date after which persons are no longer eligible for project-related compensation and benefits.

these populations have opportunities and capacities to participate effectively in decisions related to displacement, ensuring that robust mechanisms exist for redress for impacts to rights, establishing risk-informed plans for displacement, and ensuring adequate compensation, incentives and rehabilitation assistance.

### ***Assess socio-economic status and vulnerability of project-affected persons***

Experience shows that poor and socially-excluded men and women are more susceptible to the challenges of resettlement and are less able to enhance and 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 more deeply, such as persons with disabilities; women; children and youth; ethnic minorities; lesbian, gay and transgender groups; and the elderly.

Standard 5 requires that projects involving displacement seek to improve the standards of living and overall socioeconomic status displaced poor and other groups. In addition, special measures need to be provided to allow vulnerable individuals and groups to participate in resettlement planning meaningfully and to benefit from development opportunities (see Section 4).

The assessment of displacement risks and impacts typically requires undertaking a census to identify individuals, households and businesses (formal or informal) who will be physically and/or economically displaced by project activities. In addition, a socio-economic survey is used to determine and analyze their socio-economic conditions, including vulnerability factors (see Annex 4 for links to guidance materials on conducting a census and social-economic surveys).

Each project will be implemented in a unique context and thus the nature and extent of any vulnerability will also differ. **Box 5** provides examples of vulnerability in relationship to displacement risks though it is important to note that there are often multiple causes of vulnerability.<sup>13</sup> The assessment therefore needs to be tailored to the specific circumstances of project-affected persons.

Women frequently suffer disproportionately when resettlement is badly planned or executed, as they are often a disproportionately large number of the poor; have more limited access to resources, opportunities and public services than men; and as a result, rely more heavily on informal support networks within their existing

#### **Box 5. Some examples vulnerability in relation to displacement risks**

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

<sup>13</sup> EBRD, Resettlement Guidance and Good Practice (2017), p. 17.

communities. The assessment process needs to consider the situation of women and to adapt the engagement process as necessary to ensure that women have a role in decision making. A comprehensive assessment (for Substantial or High risk projects) includes identification of: (a) the displaced women's means of income generation and livelihoods, including nonformal activities such as gathering natural resources, or trading and bartering services and wares; (b) women's social and economic networks, including extended family ties; and (c) women's ownership of affected assets, including land and crops, in order to appropriately compensate them, and (d) decision making at the household and community level.

### ***Prohibit forced evictions***

Standard 5, para. 6 stipulates that forced evictions are prohibited in all circumstances (see Section 2.3 for the definition). Distinguishing characteristics of forced evictions include the lack or denial of legal protections and due process as well as the absence of full and fair compensation.<sup>14</sup>

National authorities, in their capacity as project partners or otherwise, might pursue evictions through eminent domain or other forms of compulsory land acquisition. When a project poses a risk of such evictions, the assessment must analyze whether any such proposed evictions meet the criteria of "lawful evictions," which are those meeting the following criteria, as outlined in the UN Basic Principles and Guidelines on Development-based Evictions and Displacement:

- authorized by national law;
- carried out in accordance with international human rights law
- undertaken solely for the purpose of promoting the general welfare
- reasonable and proportional; and
- follow due process standards and are regulated so as to ensure full and fair compensation and rehabilitation.

The protection provided by these requirements must apply to all affected persons and groups, irrespective of whether they hold title to home and property under domestic law. National law usually includes requirements that the activity be in the 'public interest' or for the 'general welfare,' and requirements for adequate notice to affected parties, hearings, compensation, and access to justice when rights are denied. These requirements are necessary for consistency with international human rights standards. 'General welfare' and 'public interest' are often broadly defined by national and international courts, and includes a broad range of activities. Mere declarations that activities are for the general welfare or in the public interest are, however, inadequate.

The requirement that the eviction be 'reasonable and proportional' is an effort to ensure that the eviction is 'suitable' – likely to achieve the clearly defined purpose being pursued; 'necessary' – the least impactful way to achieve this purpose; and absent 'disproportionate impact' – ensuring that benefits outweigh the disadvantages (see **Box 6**).

#### **Box 6. "Reasonable and proportional" displacement**

For example, in the context of a project to establish protected areas to protect biodiversity, it would be necessary to show that displacing individuals from the area is likely to achieve the purpose being pursued; that displacing individuals is necessary (that there is no other way to achieve the biodiversity protection objective); and, then, finally, even if the displacement is suitable and necessary, that the biodiversity protection benefits outweigh the impacts to the communities and others, e.g., impacts to their rights, their culture, their wellbeing, and impacts to the broader public that might result from such impacts, etc.

<sup>14</sup>More information can be found in the 2014 Factsheet on Forced Evictions from the Office of the High Commissioner on Human Rights and UN Habitat (p. 35 of this document details the responsibilities of UN agencies with respect to forced evictions). UN Office of the High Commissioner on Human Rights and UN Habitat, Forced Evictions, Fact Sheet No. 25/Rev. 1, 2014, p. 3, available at <http://www.ohchr.org/Documents/Publications/FS25.Rev.1.pdf>.

Determining if a proposed eviction is ‘reasonable and proportional’ requires engaging potentially affected parties in a participatory transparent discussion process. To ensure that the process is participatory, transparent, and robust, potentially affected communities and individuals must be informed of the process, provided necessary information in an understandable language and form, and have an ability to access fora in which discussions are occurring.<sup>15</sup> Although not all affected individuals/communities are eligible for compensation (see Section 6 below), all affected individuals or communities are entitled to certain due process and other protections.

### ***Assess legal framework and institutional capacity***

A key component of an Environmental and Social Impact Assessment (ESIA) – required for projects that may lead to significant physical and/or economic displacement (i.e. Substantial or High) – is a review of the policy, legal, and regulatory framework (see the SES Guidance Note on Social and Environmental Assessment and Management, Annex 1 in the [SES Toolkit](#)). It is critical that not only the adequacy of the applicable legal framework regarding displacement be examined, but also the institutional capacity to provide required protections and benefits to potentially displaced persons (e.g. effective legal process, titles, compensation). In many cases the capacity to deliver on well-designed resettlement plans is weak or national legal frameworks are not as comprehensive as the SES requirements, potentially leaving displaced persons in a legal limbo. The assessment and action plans would include summaries regarding the legal framework, institutional capacity, and steps to address identified issue areas.

### ***Ensure appropriate expertise***

When a displacement risk is identified in a project’s SESP, the required assessment should be conducted with qualified specialists who will study the proposed project footprint, determine the likely scope of physical/economic displacement and start collecting and analyzing secondary data on the socio-economic characteristics of affected people/households and communities. These experts should have experience in assessing displacement impacts for projects of similar complexity. This experience will include land acquisition and resettlement planning that includes income restoration and familiarity with the relevant local institutions and procedures. Qualifications may be demonstrated through a combination of formal technical training and practical experience. The ability to communicate in the language of the displaced persons is a desirable qualification. A team of experts might be necessary depending on the complexity of the project and diversity of affected communities and individuals.

### ***Timing of assessments and management plans***

Every effort should be undertaken to ensure that the assessment is conducted and the assessment report is shared with potentially affected peoples and other stakeholders prior to project approval. However, many UNDP projects may not have full information regarding specific project components and locations at the time of project appraisal. Conducting a full assessment with incomplete information would generally lead to incomplete analysis of potential risks and impacts and lead to inadequate actions plans to address displacement – a situation to be avoided.

Where project components and locations are not yet fully defined, then a framework approach would need to be utilized that includes preliminary social and environmental analysis and establishes procedures for undertaking assessments and developing appropriate management measures/plans during project implementation.

The UNDP SES Guidance Note on Social and Environmental Assessment and Management addresses the use of frameworks, in particular, Environmental and Social Management Frameworks (see section 4.2 of that note in the [SES Toolkit](#)). Section 6.1 below discuss the development of resettlement/livelihood restoration frameworks that would need to be developed for projects that involve potential displacement but for which the specific locations and magnitude of potential land acquisition and restrictions of land use are not fully known pre-appraisal (or for other reasons cannot yet be assessed). In such cases, the Project Document (or project documentation for projects

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<sup>15</sup> See UN Basic Principles, ‘Prior to Eviction’ paras 37-44, and ‘Compensation’ paras. 60 – 63.

that have been revised during implementation which include components that may pose displacement risks) needs to incorporate the framework and provide adequate budget for the forthcoming additional assessment and management planning. However:

- ***In all cases the required social and environmental assessment and adoption of appropriate mitigation and management plans/measures (e.g. RAP, LAP, frameworks) must be completed, disclosed, and discussed with stakeholders prior to implementation of any activities that may cause adverse social and environmental impacts, and in particular physical or economic displacement. Activities that cannot proceed until completion of the analysis, assessment, and adoption of mitigation measures should be clearly identified (in the pre-appraisal Project Document or in updated documentation for projects already under implementation).***

## 6. Development of Management Measures

Management measures need to be developed and implemented for potentially significant risks and impacts identified in the social and environmental assessment (in the SESP, management measures are proposed for all identified Moderate, Substantial, and High Risks; the assessment will most likely identify further risks/impacts that will need to be addressed). In developing such measures, a mitigation hierarchy is followed, starting with avoiding adverse impacts, and if avoidance is not possible, followed by impact minimization, then mitigation, and lastly compensatory measures to offset significant residual impacts. Mitigation and management measures need to meet (and ideally exceed) not only Applicable Law (i.e. national law and obligations under international law) but also the requirements specified in Standard 5 and UNDP's SES.

### 6.1 Address Standard 6 Requirements in Action Plans and Management Measures

Projects that involve physical displacement require development of a Resettlement Action Plan (RAP) (for Moderate Risk projects where the displacement impacts are considered minor, an abbreviated RAP may be utilized) that specifies the mitigation and management measures, including compensation, that are to be integrated into the project. Similarly, projects that may lead to economic displacement require development of a Livelihood Action Plan (LAP, also often referred to as a Livelihood Restoration Plan, LRP). Annexes 1 and 2 provide indicative outlines of the substantive aspects that are to be addressed in RAPs/LAPs. The section below provides further guidance on addressing certain Standard 5 requirements in the development of these action plans and other management measures.

#### ***Address prior displacement***

To discourage displacement activities that occur prior to project implementation and fail to provide necessary protections for affected people, the Standard applies to displacement that occurs in anticipation of the project (Standard 5, para. 16). It may not always be easy to determine if displacement has occurred specifically in anticipation of the project, but a review of documentation, interviews, and other evidence can assist this determination. The intention here is to cover prior displacement that took place reasonably close in time (e.g. within two years) to the start of the UNDP-supported project (i.e. date of ProDoc signing).

Full retroactive application of Standard 5 would likely not be practical or appropriate for prior displacement that preceded UNDP engagement by a significant period of time (e.g. longer than 2 years, however this must be determined in the specific project context as, for example, some large-scale infrastructure schemes have long lead times). In such cases, it may no longer be possible to identify all affected persons, or the extent and value of their rights to the acquired land; land values and livelihoods may have changed significantly; and national legal processes may have long been completed.

If a determination is made that displacement has occurred in anticipation of the project, UNDP will assess whether the process and outcomes were consistent with the requirements of this Standard, and identify gaps. UNDP will make good faith efforts to ensure that procedural shortcomings that can still be addressed and would contribute to a more just and desired outcome for affected individuals and communities are addressed. UNDP will ensure that substantive outcomes, including compensation outcomes, are satisfied, e.g. funding, land, and resources are provided to affected individuals and communities as indicated in the Standard.

In sum, determining whether Standard 5 para. 16 applies to a specific situation, including whether a prior activity is reasonably close in time to development of the UNDP-supported project, thus calls for case-by-case analysis and discussions between the UNDP, project proponents, and local communities.

### ***Provide access to information, legal counsel, and remedies***

Impacted communities must be provided access to project documents, impact assessment reports as well as other pertinent information in an appropriate form and language prior to discussion of options regarding their potential displacement. See Section 4 above regarding meaningful consultations. After an informed discussion of options with potentially impacted communities, and the choice to proceed with the least impactful option (where avoidance is not possible), written justification for any displacement must be provided to local individuals and communities who might be displaced (see Standard 5, para.8d). This justification must be accessible to these communities, in an understandable language and culturally appropriate form, and provided sufficiently in advance of displacement actions (e.g. relocation, imposition of access restrictions). It is recommended that this time frame be at least 90 days (see footnote).<sup>16</sup> Such timely notification allows affected individuals and communities an opportunity to comment, identify alternative less-impactful approaches, and ensure redress. Complementing notification for communities is access to effective remedies and legal counsel to understand rights and options consistent with national and international law – whichever is higher. Communities need to be provided the financial and/or other resources necessary to secure legal advisors of their choosing.

### ***Negotiated settlements***

Project proponents should seek to ensure that negotiated settlements are secured instead of compulsory acquisition when possible in an attempt to respond to local community and individual needs and to increase the likelihood of support for the project (Standard 5, para. 8).

Negotiated settlements can usually be achieved by providing fair and appropriate compensation and other incentives or benefits to affected persons or communities, and by mitigating the risks of asymmetry of information and bargaining power. Project proponents are therefore encouraged to acquire land rights through negotiated settlements wherever possible, even if they have the legal means to gain access to the land without the seller's consent (e.g. eminent domain).

As a principle, project proponents are required to develop procedures in a transparent, consistent, and equitable manner to ensure that persons who enter into a negotiated settlement in land acquisition will maintain the same or better income and livelihood status.

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<sup>16</sup> The UN Basic Principles and Guidelines on Development-Based Evictions and Displacement call for at least 90 days' notice prior to the date of displacement, however the principle to be followed is that notification should be made as early as possible. UNDP's SES Supplemental Guidance on Disclosure of Project-related Social and Environmental Screenings, Assessments, and Management Plans (in [SES Toolkit](#)) calls for assessments and management plans to be made available to local communities at least (a) 120 days (Substantial and High Risk projects) or (b) 30 days (Moderate Risk projects) before the PAC or before implementation of any activities that may cause adverse social and environmental impacts. The assessments and management plans would be disclosed earlier than formal notification of displacement.

Access to legal counsel to understand rights and options is fundamental to fairly negotiated agreements. Communities must be allowed to choose their representatives to the negotiations, and information provided must be understandable to these representatives and other community members. Project proponents should ensure documentation, in writing, of efforts to seek such settlements, including, for example, meetings held with potentially impacted communities, offers discussed, information provided, people participating, etc.

Asymmetries in political power and access to information typically put project-affected persons at a disadvantage when negotiating with the acquiring agency. To this end, project proponents should engage an independent external party to document the negotiation and settlement processes.

More information related to negotiations with Indigenous Peoples is provided in the Standard 6 Indigenous Peoples and its accompanying Guidance Note in the [SES Toolkit](#).

### ***Develop plans for displacement***

Action plans must be developed for all displacement activities. These plans seek to ensure attention to human rights principles in the context of such activities. Although two general types of plans exist – Resettlement Action Plans for activities that lead to physical displacement, and Livelihood Action (or Restoration) Plans for those that cause economic displacement – all plans must achieve the aims identified in Standard 5, para. 13 (see **Box 7**), in addition to satisfying the specific elements for each type of plan (see below sections).

These plans must be risk-informed; proportionate to the scale of potential displacement risks and impacts; and disclosed in a location accessible to the public and affected communities in a timely manner (this should be at least 120 days for Substantial and High Risk projects and at least 90 days for Moderate Risk projects prior to the initiation of displacement actions; see footnote).<sup>17</sup> Potentially affected individuals must have the means to access these plans, i.e., if the plans are at a project office that is a significantly long distance from the project area, then individuals must be provided free transportation to the office, or the plans must be made available closer to the project area.

The plans must include the identification of persons that will potentially be displaced by the project, and the category into which each person falls (note the list of categories in **Box 6** above). The plans must identify compensation, rehabilitation assistance, and other support for each individual/community. **Tables 4 and 5** below describing compensation and rehabilitation assistance by category for physical and economic displacement. Annexes 1 and 2 provide outlines of the content for both a RAP and LAP.

*Action plans for activities involving physical displacement and/or economic displacement with significant social and economic impacts on affected persons (i.e. complex Moderate, Substantial, High Risk projects) are to provide sufficient resources and opportunities to enable displaced persons to benefit directly from programming activities with the aim to improve affected persons livelihoods and living standards in real terms compared to pre-displacement levels or to levels prevailing prior to the start of implementation, whichever is higher.*

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<sup>17</sup> While the general disclosure time frame for assessments and management plans for Moderate Risk projects is 30 days prior to the PAC or before implementation of any activities that may cause adverse social and environmental impacts, the UN Basic Principles and Guidelines on Development-Based Evictions and Displacement call for at least 90 days' notice concerning displacement activities.



#### Box 7. Key elements of displacement action plans (covering both physical and economic displacement)

Action plans for activities involving physical displacement and/or economic displacement with significant social and economic impacts are required by Standard 5 para.13 to address at a minimum the following relevant elements. Additional specific criteria addressing the different types of displacement are addressed in the following sections.

- Establish eligibility criteria, cutoff dates, and entitlements for all categories of affected persons;
- Provide (a) fair and just compensation at full replacement cost (based where relevant on the cost of replacement at resettled sites and locations) prior to displacement for any losses of personal, real or other property or goods, noting that compensation and support may be collective in nature; (b) transitional support (both financial and in-kind) based on reasonable estimates of the time required to restore and improve income-earning capacity, production levels, and standards of living; and (c) development assistance such as land development, credit facilities, direct benefits, training or employment opportunities, and provision of expertise, as appropriate. The combination of compensation, transitional support (socio-economic and/or psycho-social, as necessary) and development assistance will seek to improve pre-displacement productive capacity and earning potential of displaced persons;
- Provide to displaced individuals and communities secure access to necessary services, shelter, food, water, energy, and sanitation, as applicable;
- Consider gender aspects, recognizing women and men as co-beneficiaries and providing single women with their own compensation; and
- Ensure impoverished individuals and marginalized or disadvantaged persons and groups are provided equal access to programming benefits and resources.

The plans should ensure ‘full and fair compensation and rehabilitation,’<sup>18</sup> including minimum living conditions for evicted persons or groups. The plans must describe how and when fair and just compensation is provided – it must be provided prior to displacement for any losses of personal, real or other property or goods, including rights or interests in property recognized by Applicable Law. Examples of such property include land, buildings, crops, cattle, equipment, etc. Note, again, that property rights for which compensation is provided include not only property rights for which formal title exists, but also other rights to property, including collective rights of indigenous peoples, tribal communities, and other groups under international law.

*Replacement cost:* To ensure that compensation is full, fair, and just, it should be calculated in terms of ‘full replacement cost.’ Replacement cost is the market value of the assets plus transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. Market value is defined as the value required to allow affected communities and persons to replace lost assets with assets of similar value. Compensation (which is addressed more specifically below) should be made in goods and services of greater or at least equivalent value and be culturally appropriate whenever possible. Cash compensation should be a last resort when the circumstances do not allow for other forms of compensation. Even in situations when the majority of displaced persons requests monetary compensation, in-kind compensation is usually recommendable.

The plans should identify, and create opportunities to clarify and enhance tenure when displacement occurs. For example, individuals and communities who are resettled should be issued formal title to property to which they are located. Women and men must be provided equal access to formal title, i.e. titles should be issued to both men and women. Where resettlement is to take place, the plan should specify if there is a right to return, when it can be exercised, and whether lands from which communities were moved will be restored prior to return.

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<sup>18</sup> UN Basic Principles and Guidelines on Development-Based Evictions.



To meet the Standard's objectives to protect and enhance the well-being of displaced individuals and communities, the plans must ensure that adequate financial support exists to support actual resettlement measures, new economic opportunities, and access to necessary services, shelter, food, water, energy, and sanitation.

To avoid concerns about the adequacy of the actual resettlement process and whether rights have been met, Standard 5 requires independent monitoring of implementation of action plans. In addition, participatory monitoring of affected communities needs to be considered. See Section 7 below.

*Abbreviated action plans:* As noted in Section 3.2, UNDP may determine that an abbreviated action plan may be considered for Moderate Risk projects in which the displacement risks and impacts are considered to be minor – that is, where affected persons are relatively few in number, there is generally no physical displacement,<sup>19</sup> and the activities involve minor land acquisition (e.g. affecting less than 10 percent of productive assets) and do not have significant adverse livelihood impacts. As stipulated in Standard 5 para. 12, an abbreviated action plan would need to establish eligibility criteria and compensation procedures and standards at full replacement cost that are designed at a minimum to restore affected persons assets and livelihoods. Such plans must also include meaningful consultation and participation of affected persons.

*Use of frameworks:* As noted in Section 5.1 above (see timing of assessments and management plans), for projects that may involve potential displacement but for which the specific locations and magnitude of potential land acquisition and restrictions of land use are not fully known pre-appraisal or cannot yet be assessed, then a resettlement framework or livelihood restoration framework would need to be developed. The framework would include as much information as possible given the stage of project development and stipulate how more specific action plans would be developed once project components and locations are fully defined. When utilizing a framework approach, it is critical to recall that no project activities that may cause physical or economic displacement will take place until specific plans are finalized and approved by UNDP.

**Annex 3** provides a generic outline a for a resettlement/livelihood action framework.

*Cut-off dates:* One approach to identifying the category of people who moved to the area primarily to benefit from the project, i.e., to secure compensation or assistance related to the project (see **Box 4** above), is to create a 'cut-off date' for recognizing individuals or communities entitled to compensation. Generally, a reasonable cut-off date is the date of completion of the census and assets inventory of persons affected by the project. Persons occupying the area after the cut-off date would not be eligible for compensation or resettlement assistance.

*Meet Indigenous Peoples standard:* When indigenous peoples may be impacted by the displacement activities, requirements of Standard 6 Indigenous Peoples must also be met. This would include seeking the free, prior and informed consent (FPIC) of affected persons and communities.

### ***Addressing physical displacement***

The Resettlement Action Plan (RAP) includes elements specific to physical resettlement, including issues related to participation of individuals and communities in resettlement-related decisions potentially impacting them, resettlement compensation and rehabilitation assistance, and non-discrimination and attention to collective rights (see **Box 8**). **Annex 1** provides a detailed outline for addressing these elements.

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<sup>19</sup> The impacts of physical displacement can be significant even where small numbers are involved. However, there may be situations where the relocation of very few individuals and/or families may be accomplished per the Standard 5 requirements without the need for an ESIA.

#### Box 8. Key elements in addressing physical displacement

Where project activities involve physical displacement with potentially significant social and economic risks and impacts (complex Moderate Risk, Substantial Risk and High Risk projects), Standard 5 para. 14 requires that the action plan address the following elements in addition to those general elements noted above:

- Specify the resettlement options chosen by displaced persons, respecting preferences to relocate in pre-existing communities wherever possible, and document all transactions
- Provide a choice of replacement property with secure tenure<sup>20</sup> of higher value and better characteristics wherever possible for affected persons or communities with formal land rights or recognizable claims.<sup>21</sup> Activities that involve physical displacement should adhere to the [Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests \(VGGT\)](#)<sup>22</sup>
- Land-based resettlement strategies are utilized when the livelihoods of affected persons are land-based or where land is collectively owned
- Ensure resettlement sites provide adequate housing with improved living conditions, necessary civic infrastructure and services (see the minimum criteria below)
- For affected persons without formal land rights or recognizable claims, compensate for loss of assets other than land (e.g. dwellings, other improvements) at full replacement costs, provide resettlement assistance in lieu of compensation for land sufficient to restore living standards at an adequate alternative site, and provide arrangements to allow them to obtain adequate housing with security of tenure so they can resettle without facing the risk of forced eviction
- Stipulate that compensation is not required for those who move into the project area after the established cut-off date, provided that the date has been well publicized.

The first fundamental consideration for the RAP relates to individual and community choice; options related to resettlement – where to resettle, how and for what to compensate individuals and communities, what additional support to provide – must be provided and discussed to ensure responsiveness to concerns and needs. For indigenous, tribal, and other communities, these options may include collective benefits while ensuring due consultation with all groups within the community, including women and young people.

The second fundamental consideration relates to minimum living conditions, compensation, and rehabilitation assistance. **Table 4** describes these requirements by category of displaced individual/community. It is important to consider baseline conditions that have been identified and documented during the assessment, and to have independent confirmation of the adequacy of compensation and rehabilitation assistance.

*Adequate Housing:* Where alternative housing is provided, adequate housing criteria need to be addressed. A range of criteria have been established by the OHCHR and UN Habitat: providing security of tenure; availability of services, materials, facilities and infrastructure; affordability; habitability; accessibility; location; and cultural adequacy.<sup>23</sup>

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<sup>20</sup> Security of tenure means that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate.

<sup>21</sup> It may be appropriate to negotiate in situ land development arrangements whereby displaced persons or communities accept partial loss of land for improvements that increase property value.

<sup>22</sup> Available at <http://www.fao.org/3/i2801e/i2801e.pdf>.

<sup>23</sup> See OHCHR/UN Habitat, [The Right to Adequate Housing, Fact Sheet 21/Rev. 1](#).

Adequate housing options are those that allow access to employment options, markets, and other means of livelihood such as agricultural fields, as well as basic infrastructure and services, such as water, electricity, sanitation, health care, and education, depending on the local context. Alternative housing should be situated as close as possible to the original place of residence and source of livelihood of those resettled. The time and financial cost required for travel to and from the place of work or to access essential services should not place excessive demands upon the budgets of low-income households. Where that cannot be avoided, the risk of economic displacement must also be assessed and managed.

Project developers should ensure that members of the same extended family or community are not separated as a result of physical displacement.

Replacement housing should, as appropriate, be of sufficient quality to protect inhabitants from weather conditions and environmental hazards and provide for their physical safety; and housing structures should provide adequate space, taking into account household size and the number of women and children. Designs should, as appropriate, reflect the special needs of persons with disabilities and the elderly to have housing and other facilities that are physically accessible.

Resettlement sites should be fully equipped and functional prior to the arrival of the displaced. Relocation sites must not be situated on polluted land or in immediate proximity to pollution sources that threaten the right to the highest attainable standards of mental and physical health of the inhabitants.

*Compensation* should be provided for any economically assessable damage, as appropriate and proportional to the level of impact and the circumstances of each case. Compensation for lost assets is calculated at replacement cost. The process used for determining compensation values should be transparent and easily comprehensible to project-affected persons. With regard to land and assets, the calculation of replacement costs takes into account the following:

- Agricultural (including fallow) land or pastureland: Land of higher productive use or potential wherever possible (or at least of equal value, with investments to improve productivity, etc.), located in the vicinity of the affected land or the new housing site, plus the cost of preparation to levels better than those of the affected land, and transaction costs such as registration and transfer taxes or customary fees.
- Land in urban areas: The market value of land of better or at least equivalent area and use, with improved infrastructure and services wherever possible, preferably located in the vicinity of the affected land, plus transaction costs such as registration and transfer taxes.
- Houses and other structures (including public structures such as schools, clinics, and religious buildings): The cost of purchasing or building a replacement structure, with an area, quality, and location better than (or at least equivalent to) those of the affected structure; or of repairing a partially affected structure, including labor and contractor fees; and transaction costs, such as registration, transfer taxes, and moving costs.
- Loss of access to natural resources: The market value of the natural resources, which may include, among others, wild medicinal plants, firewood, and other non-timber forest products, meat, or fish. However, cash compensation is seldom an effective way of compensating for lost access to natural resources. Project developers need to assess means to provide, or facilitate access to, better or similar resources elsewhere, taking into account the impacts at the alternative location, providing cash compensation only when it can be demonstrated that no feasible alternative measures are available.

It is important to keep in mind that compensation for lost assets is a necessary part of addressing displacement impacts. However, payment of compensation alone may not be sufficient to address the range of impacts on livelihoods that displacement can cause. Experience shows that, in some cases, an exclusive or undue emphasis on compensation can contribute to impoverishment, if it is not accompanied by serious attention to assisting affected persons to rebuild, sustain, and enhance their incomes and livelihoods.

Many countries have legally defined rates of compensation for land, trees, and crops that have economic value. In many cases, such rates are not equal to replacement cost, either because they do not reflect market values or are not updated on a regular basis. Where a national partner proposes to use such rates as the basis for assessing value, additional measures may be necessary to ensure that the compensation paid meets the requirements of replacement value as set out in Standard 5. Such measures need to be appropriately tailored to the losses incurred. For example, where fruit trees are lost, it may be necessary to adjust compensation to reflect that it can take several years after replanting before such trees begin to generate income.

The assessment of economic damage due to land acquisition or restricted access should take into consideration a range of other potential losses and costs faced by displaced persons. These may include, for example, other housing costs (mortgage or other debt penalties; interim housing/rentals); bureaucratic and legal fees; lost wages and incomes; lost educational opportunities; transportation costs (especially in the case of relocation far from the source of livelihood); health and medical care, including psychological and social services.

Cash compensation should not replace real compensation in the form of land and common property resources for affected persons or communities with formal land rights or recognizable claims (“land-for-land”). Such persons should be compensated with land of higher value and better characteristics wherever possible. Replacement property must at a minimum be of equal value of lost assets, with additional investment provided by supported activities to improve its value and characteristics. Payment of cash compensation for loss of land and other assets is discouraged but may be appropriate in limited circumstances, such as where livelihoods are not land-based or where livelihoods are land-based but the land taken is a small fraction of the affected asset and the residual land is economically viable.

*Transitional support* is provided, based on a reasonable estimate of the time required to restore income-earning capacity, production levels, and standards of living. This may include payment for lost crops and lost natural resources, payment of lost profits for businesses, or payment of lost wages for employees affected by business relocation. Consideration should be given to the ability of wage earners to continue to access their place(s) of work during and after resettlement; if this ability is impaired, then mitigation measures are implemented to ensure continuity and avoid a net loss in welfare for affected households and communities. The RAP provides that the transitional support continues for the duration of the transition period.

Relocation assistance is also providing, including for example moving allowances.

*Host Communities.* Communities living in areas to which individuals or communities are moved – host communities – may also need support and assistance if they are adversely impacted by the influx of displaced persons. Measures to mitigate the impact of planned relocation sites on any host communities may include:

- Consultations with host communities and local governments
- Arrangements for prompt tendering of any payment due the hosts for land or other assets provided in support of planned relocation sites
- Arrangements for identifying and addressing any conflict that may arise between those resettled and host communities; and
- Any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to meet increased demands upon them, or to make them at least comparable to services available within planned relocation sites.
- Other project benefit sharing, where appropriate.

**Table 4. Physical Displacement-related Compensation, Rehabilitation Assistance, and Minimum Living Conditions**

	Possess title/ formal recognition of rights	No title but with recognizable claim to property	No title/recog- nizable claim but occupying area/using resources (informal settlers)*	Occupied in anticipation of project
Full replacement cost (see footnote 9) for any economically assessable damage – appropriate and proportional to the gravity of the violation and the circumstances of each case	✓	✓	✓	
Compensation for loss, salvage and/or transport of affected properties, including original dwelling (*=depends on cut-off date)	✓	✓	✓	*
Provide a choice of replacement land with secure tenure of higher value and better characteristics wherever possible and at minimum of commensurate quality, size and value	✓	✓		
Where the dwellings or land provide a source of livelihood, account for the value of business losses, equipment/inventory, livestock, land, trees/crops, and lost/decreased wages/income	✓	✓	✓	
Where relocation affects commercial structures, compensation for the cost of reestablishing commercial activities elsewhere, for lost net income during the period of transition, and for the costs of the transfer and reinstallation of the plant, machinery, or other equipment	✓	✓	Depends on relationship to land/resources, per baseline data	
Transitional support is provided, based on a reasonable estimate of the time required to restore income-earning capacity, production levels, and standards of living	✓	✓	✓	
Relocation assistance (e.g. moving allowance, other investments that aim to improve livelihoods and living standards in real terms compared to pre-displacement levels)	✓	✓	✓	

### **Addressing economic displacement**

Economically displaced persons are entitled to compensation and assistance for the loss of their income or livelihood sources due to project-related land acquisition or restrictions on land use or access. They can include sharecroppers, renters, tenants, and wage laborers, as well as artisans, shopkeepers, and small businesses occupying land they do not own. They may face losses of revenue or wages, and/or loss of assets such as shops and vendor stalls, crops, irrigation facilities, trees, livestock pens, fences, among other things. Economically displaced persons encompass both those with and without title or recognizable claims to land.

**Box 9** outlines key requirements for addressing economic displacement and **Table 5** provides guidance on eligibility for required types of compensation and assistance. **Annex 2** provides a detailed outline for Livelihood Action Plans (LAP) that provide for income restoration or livelihood support measures.

#### **Box 9. Key requirements in addressing economic displacement**

Where project activities involve economic displacement with significant social and economic impacts (complex Moderate Risk, Substantial Risk and High Risk projects), Standard 5 para. 15 requires that a Livelihood Action Plan address the following elements in addition to those general elements for action plans noted above:

- Ensure compensation covers all commercial losses (including costs of transfer and re-establishing commercial activity, lost net income during transition, lost employee wages) and for other assets such as crops, irrigation infrastructure or other improvements to affected areas
- Provide replacement property of improved value where legitimate tenure rights (both formal and informal) are restricted. Provide replacement agricultural sites of superior productive potential wherever possible, including through investments in increasing productivity. If it is clearly demonstrated that replacement land and resources are unavailable, offer cash compensation at full replacement cost and options and support for alternative income earning with evidence of mutual agreement
- For economically displaced persons without legally recognizable claims to land, compensate for lost assets other than land (e.g. crops, irrigation infrastructure, other improvements made to the land), at full replacement cost
- Where displaced livelihoods are natural resource based, offer replacement land and access to alternative resources with a combination of productive potential, locational advantage, and other factors with improved livelihood-earning potential and accessibility, wherever feasible. Provide alternative income earning opportunities and support if it is demonstrably not possible to provide replacement land and resources

Compensation alone is not sufficient to restore or improve the livelihoods and social welfare of economically displaced households and communities. In rural settings, the Livelihood Action Plan will need to address the challenge of restoring and improving livelihoods based on land or natural resource use while avoiding undermining the cohesion of affected communities. Restoration and improvement of rural livelihoods often requires attention to many interconnected dimensions such as access to land (productive, fallow, and pasture), marine, and aquatic resources (fish stocks), access to social networks, access to natural resources such as timber and non-timber forest products, medicinal plants, hunting and gathering grounds, grazing and cropping areas, fresh water, as well as employment. In urban settings, the LAP will need to address the challenge of restoring and improving wage-based or enterprise-based livelihoods that are often tied to location (such as proximity to jobs, customers, and markets).

The following are examples for the design of measures to enhance livelihoods that are land-based, wage-based, and enterprise-based:

- *Land-based livelihoods:* Economically displaced persons with land-based livelihoods will be offered replacement land with a combination of productive potential, location advantages, and other factors with improved livelihood-earning potential and accessibility, wherever feasible. Depending on the context and

the nature of the affected livelihoods, other factors may include the legal status of the land, access to grazing land, fallow land, forest, fuel, and water. In addition, depending on the type of economic displacement, they may benefit from the following types of measures: (a) physical preparation of farmland (for example, clearing, leveling, access routes, and soil stabilization or enrichment); (b) fencing for pastureland or cropland; (c) agricultural inputs (such as seeds, seedlings, fertilizer, irrigation); (d) veterinary care; (e) small-scale credit, including seed banks, cattle banks, and cash loans; (f) access to markets (for example, through transportation means, improved access to information about market opportunities and organizational support; (g) subsistence allowances (e.g. for food, fodder, and fuel) until incomes are restored; and (h) training (including individual or household-based counselling on the livelihood risks and opportunities of compensation and investment opportunities). Where land-based livelihood of small-scale subsistence farming is severely affected by substantial loss of productive land, particular attention needs to be paid to fragility, including food security risks for affected households. Additional fragility factors such as erosion and climate risks (drought, floods, climate change trends, and so forth; see SES Standard 2) should be taken into account in assessing livelihood risks and developing additional support measures.

- *Wage-based livelihoods:* Wage earners are to be compensated for the loss of earnings. Affected wage earners may benefit from skills training and job placement, provisions made in contracts with project contractors for temporary or longer term employment of local workers, and small-scale credit to finance startup enterprises. Affected persons should be given equal opportunities to benefit from such provisions. The location of resettlement housing, in the case of physically displaced persons, can be a significant contributing factor toward socioeconomic stability.
- *Enterprise-based livelihoods:* Where commercial structures/enterprises are affected, compensation and assistance for the owners will include the cost of reestablishing the activities, net income lost during the period of inactivity, and the costs of transfer and reinstallation of the plant, machinery, or other equipment and materials. Business owners who have a title to land (or have recognizable title to land) are also entitled to land or cash compensation at full replacement cost for the land where they carry out their commercial activities. Established and startup entrepreneurs and artisans may also benefit from credit or training (such as business planning, marketing, inventory, and quality control) to expand their businesses and generate local employment.

**Table 5. Economic Displacement-Related Compensation and Assistance**

	Possess title/ formal recognition of rights	No title but with recognizable claim to property	No title/recog- nizable claim but occupying area/using resources (informal settlers)	Occupied in anticipation of project
In cases where land acquisition or restrictions on land use affect commercial structures, affected business owners will be compensated for the cost of reestablishing commercial activities elsewhere, for lost net income during the period of transition, and for the costs of the transfer and reinstallation of the plant, machinery, or other equipment	✓	✓	✓	
In cases affecting persons with legitimate tenure rights (with title or recognizable claim), provide replacement property (e.g. agricultural or commercial sites) of superior productive potential wherever possible, including through investments in increasing productivity	✓	✓		
Economically displaced persons who are without legally recognizable claims to land will be compensated for lost assets other than land (e.g. crops, irrigation infrastructure, other improvements made to the land), at full replacement cost			✓	
In addition to compensation for lost assets, if any, economically displaced persons whose livelihoods or income levels are adversely affected will also be provided opportunities to improve, or at least restore, their means of income-earning capacity, production levels, and standards of living	✓	✓	✓	
For those with land-based livelihoods, offer replacement land with a combination of productive potential, location advantages, and other factors with improved livelihood-earning potential and accessibility, wherever feasible.	✓	✓		
For persons whose livelihoods are natural resource-based and where project-related restrictions on access apply, measures will be undertaken to either allow continued access to affected resources or provide access to alternative resources with equivalent livelihood-earning potential and accessibility	✓	✓		
Transitional support is provided to displaced persons and communities as necessary, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living	✓	✓	✓	

At times, land and resources meeting the criteria described above may not be available and/or may not be desired by the affected people. In these circumstances, UNDP and/or the implementing partner can attempt to reach agreement with affected people on alternate measures that seek to enhance and restore affected livelihoods. Any such agreement must reflect that the affected persons had access to legal counsel/representatives of their choice, understood their rights and options, and freely agreed.



Usually, compensation will be provided by the government. UNDP may reach an agreement with the government to provide compensation in specific situations, including when the government lacks the financial capacity to fund a project that meets important public interest objectives. All payments and other forms of compensation should be documented in writing and made publicly available.

### *Access restrictions*

Standard 5 para. 15 notes that if the programming activities restrict access to resources in legally designated protected areas or other common property resources, project proponents need to establish a collaborative process with affected persons and communities to negotiate and determine appropriate restrictions and mitigation measures to improve affected livelihoods while ensuring the objectives of the protected area (or other common property resources) is maintained.

Limiting access to natural resources in areas (including national parks) upon which local communities, often indigenous peoples, have traditionally depended has often led to significant impoverishment risks.<sup>24</sup> Projects involving such access restrictions need to seek to achieve a “double sustainability,” both social and ecological, for compliance with the SES.

A Process Framework is often utilized to establish the collaborative process for determining appropriate restrictions in such situations. It spells out the steps needed to address the requirements of Standard 5 in ways germane to specific protected areas. These steps are not only focused on measures for biodiversity sustainability but also about measures for the sustainability of people’s livelihoods. The framework will lay the foundations of a resource management plan that identifies those activities which may be continued sustainably as distinct from those which must be restricted for biodiversity conservation and replaced with other income generating activities.

As outlined in **Annex 4**, the Process Framework includes a description of the participatory processes by which potentially displaced persons will participate in determining potential access restrictions, mutually acceptable levels of resource use, identification of potential impacts, and management arrangements. It will outline eligibility criteria for measures to assist affected persons in improving and restoring livelihoods where affected, manage conflicts and grievances, arrange for participatory implementation and monitoring, and specify the necessary budget.

A Process Framework does not replace the need for an appropriately-scaled environmental and social assessment process once specific activities are identified, but supplements it with a participatory framework focused on the potential impacts of access restrictions. It may accompany or be incorporated into the project ESMF where this instrument is utilized. The Process Framework would take the place of a separate Livelihood Action Plan given that the mitigating and compensating measures of the Process Framework will aim to improve livelihoods in real terms to pre-displacement levels, while maintaining the sustainability of the park or protected area.

It should be noted that in some circumstances affected communities may agree to restrictions without identifying one-for-one mitigation measures as they may see the long-term benefits of improved natural resource management and conservation. The framework may include a range of measures to achieve these benefits, such as efforts to secure recognition and support of customary rights to land and natural resources, access to alternative resources or functional substitutes, alternative livelihood and income-generating activities, health and education benefits, and employment opportunities.

A Process Framework may also be utilized to develop restrictions of access to natural resources under community-based natural resource management arrangements where the relevant community decides to restrict access to

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<sup>24</sup> Cernea, Michael and Schmidt, Kai Soltan, “Poverty Risks and National Parks: Policy Issues in Conservation and Resettlement,” *World Development*, vol. 34, no. 10, 2006, at <https://www.sciencedirect.com/science/article/abs/pii/S0305750X06001185>.

these resources based on an appropriate community-decision making process that reflects voluntary, informed consensus. Where such conditions are met, the requirements of Standard 5 are not applicable.

Recall that for projects that may affect indigenous peoples, including of course projects that may involve access restrictions to protected areas, the requirements of Standard 6 Indigenous Peoples also need to be addressed. In such cases, the Indigenous Peoples Plan would reflect measures typically contained in a Process Framework but include additional requirements, such as the need to seek free, prior and informed consent (FPIC).

### *Grievance redress*

Grievance redress mechanisms are critical for any displacement process. Regardless of scale, displacement may give rise to grievances among affected individuals and communities across multiple issues, ranging from inclusion in the census, eligibility criteria, valuation amounts, compensation measures to the location of resettlement sites and the quality of services at those sites. Host communities may also express a range of concerns.

It is important that the grievance mechanism be fully functional early in the planning process (ideally before assessment starts) and is designed to address concerns and complaints as efficiently and as early as possible. The SES Guidance Note on Stakeholder Engagement and the Supplemental Guidance on GRMs (see the [SES Toolkit](#)) includes guidance on establishing such mechanisms.

The project grievance mechanism needs to be disclosed and explained to affected communities as early as possible and on a regular basis throughout project implementation. The grievance mechanism needs to be available at no cost, and it is important that it be easily accessible, with special attention paid to accessibility for disadvantaged and vulnerable individuals or groups. It should include the option of submitting grievances confidentially to ensure that all community members feel secure in expressing their concerns.

The scope of the grievance mechanism will vary with the magnitude and complexity of the project and displacement involved, and may call for additional staff to be designated and trained to address grievances related to displacement. It may be necessary to establish a recourse mechanism (usually a committee with the implementing partner, community and reputable third party representatives) designed to resolve disputes in a timely and impartial manner.

Submitted grievances should be analyzed carefully as they provide excellent, real-time feedback. 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.

## 7. Monitoring Implementation of Action Plans

Project management plans (e.g. RAP/LAP) will include key performance indicators and a monitoring plan to ensure that the project's required mitigation and management measures are being implemented. The key objective of monitoring is to assess potential impacts on standards of living of displaced persons and whether the objectives of the action plans are being achieved.

Monitoring is an iterative process throughout project implementation until the completion of all closure activities. Monitoring and evaluation mechanisms will include arrangements for ongoing information disclosure, consultation and informed participation with all strata of the affected displaced persons and for the implementation of any identified corrective actions. The extent of monitoring will be proportionate to the nature of the project, the project's social and environmental risks and impacts, and compliance requirements. The RAP/LAP outlines the specific monitoring framework for the project.

The monitoring and evaluation of displacement activities should be anticipated in preparation of action plans. The census of affected persons, socioeconomic baseline studies and the inventory and evaluation of assets, should be conducted and documented in a manner that enables subsequent tracking of outcomes. This is typically done through the early identification of key indicators to be tracked over time.

Monitoring of project implementation includes the following:

- i. progress of implementation of mitigation/management plans required by the SES (i.e. performance monitoring indicators to measure inputs, outputs, and outcomes for displacement-related activities)
- ii. review of complaints and grievances from project-affected stakeholders
- iii. follow-up on any identified corrective actions, and
- iv. completion and disclosure of monitoring reports and on-going reporting to project-affected stakeholders.

Findings from monitoring should be integrated into an adaptive management framework where management responses are adapted as necessary to ensure that project risks and impacts associated with displacement activities are properly addressed.

The SES requires that independent monitoring by qualified experts be undertaken for complex Moderate Risk, Substantial Risk, and High Risk projects (Standard 5, para. 17). In addition, for complex processes (e.g. considered Substantial or High Risk due to displacement), joint monitoring committees should be considered, with meetings at regular intervals between donors, government officials and community representatives. This may be a good instrument to create trust while verifying progress.

Project-affected persons need to be kept regularly informed on implementation progress, which may include on-going reporting and meetings.

For projects with significant adverse displacement impacts (complex Moderate, Substantial, High Risk project), a completion analysis needs to be conducted by an experienced independent expert. The key objective of a completion analysis is to evaluate whether the efforts to improve and restore the livelihoods and living standards of affected persons has been successful. The analysis measures whether the livelihoods and living standards of the affected population meet or exceed those enjoyed prior to displacement, in real terms, and if that is not the case, what additional measures, if any, are needed to improve and restore livelihoods and/or living standards. The project should not be considered complete until adverse impacts are addressed and action plans are fully implemented.

UNDP's review activities should be appropriate to the type and scope of the requirements, and may include:

- reviewing monitoring reports, conducting site visits and reviewing project-related information
- reviewing compliance with Standard 5 requirements in particular for projects with significant impacts on indigenous peoples
- advising partners on how to manage issues related to the Standard 5
- communicating risks and probable consequences of failure to comply with the SES requirements, and initiating remedies if the partner fails to (re)establish compliance.

## Annex 1. Resettlement Action Plan – Template

A Resettlement Action Plan (RAP) details the **procedures** to be followed and the **actions** to be taken in order to properly resettle and compensate affected people and communities. This plan must be developed after it has been determined, following the process outlined in Standard 5, that displacement and resettlement are unavoidable. A RAP can respond to cases of economic displacement as well. However, if only economic displacement is foreseen, a Livelihood Action Plan is required. The RAP reflects the commitment made by the Implementing Partner and UNDP to affected people and communities to meet obligations arising from resettlement.

The RAP covers the following elements:

1. Introduction
  - Briefly describe the project and associated facilities (if any)
  - Describe project components requiring land acquisition and resettlement; give overall estimates of land acquisition and resettlement
  - Provide explanation of how displacement is necessary to achieve the project objectives, how the project is in the 'public interest' and how displacement is proportional to project outcomes. Please also discuss alternative project designs, including the "no project" scenario and if they may have avoided or reduced the resettlement.
2. Minimizing Resettlement
  - Describe the justification for the resettlement
  - Describe efforts and measures to minimize displacement, and expected outcomes of these efforts and measures
3. Census and Socioeconomic Surveys/Social Baseline
  - Provide results of the census, assets inventories, natural resource assessments, and socioeconomic surveys and briefly describe how these were performed, i.e., techniques used, individuals interviewed, etc.
  - Identify all people and communities potentially affected by displacement activities and potential impacts to each. Conduct a vulnerability assessment and outline what determines vulnerability (i.e. which criteria need to be met to consider someone vulnerable)
4. Legal Framework
  - Describe all relevant international, national, local, and community laws and customs that apply to displacement and resettlement activities, with particular attention to laws and customs relating to tenure rights; highlight any potential conflicts e.g. between UNDP's SES and national or regional law.
  - Describe how free, prior, informed consent was obtained for resettlement of indigenous peoples and tribal communities, if applicable
  - Describe project-specific mechanisms to address conflicts
  - Describe entitlement/compensation policies for each type of impact
  - Describe method of valuation used for affected structures, land, trees, and other assets
  - Prepare entitlement matrix, which includes budget and timeframe for payment of entitlements
5. Resettlement Sites and Housing
  - If the project requires relocation, describe how affected people have been involved in a participatory process to identify sites, assess advantages and disadvantages of each site, and select preferred sites. Site selection to be risk-informed (e.g. ensure not subject to higher levels of risks from floods, landslides, earthquakes). Describe the options
  - If housing must be replaced, describe how affected people have been involved in developing an acceptable strategy for housing replacement and how alternative housing meets adequate housing criteria (including legal security of tenure; availability of services, materials, facilities and infrastructure;

affordability; habitability; accessibility; location; cultural adequacy). Describe the specific process of involving affected populations in identifying potential housing sites, assessing advantages and disadvantages, and selecting sites

- If the project involves allocation of agricultural land or pasture/rangeland, describe how individual households that will be allocated lands have been involved in identifying potential new sites, and how they have explicitly accepted the selected sites
- Describe the feasibility studies conducted to determine the suitability of the proposed relocation sites and housing, including where relevant natural resource assessments (soils and land use capability, vegetation and livestock carrying capacity, water resource surveys) and environmental and social impact assessments of the sites. Include a description of potential access of affected people to necessary services, shelter, food, water, energy, and sanitation
- Demonstrate where relevant that the land quality and area are adequate for allocation to all of the people eligible for allocation of agricultural land. Provide data on land quality and capability, productive potential, and quantity
- Give calculations relating to site requirements and availability
- Describe mechanisms for: (1) procuring, (2) developing and (3) allotting resettlement sites and housing, including the awarding of title or use rights to allotted lands. Indicate to whom titles and use rights will be allocated, including by gender
- Provide detailed description of the arrangements where relevant for site development for agriculture, including funding of development costs.
- Indicate whether temporary resettlement will be necessary and how the communities' social capital will be preserved.

6. Income Enhancement/Restoration (if RAP is also addressing economic displacement, see also sections 5 and 6 of Annex 2)

- Are compensation entitlements sufficient to enhance and restore livelihoods and income streams for each category of impact? Attach independent review of opportunities to enhance incomes/livelihoods. What additional economic rehabilitation measures are necessary?
- Briefly spell out the enhancement and restoration strategies for each category of impact and describe their institutional, financial, and technical aspects
- Describe the process of consultation with affected populations and their participation in finalizing strategies for income enhancement/restoration
- How do these strategies vary with the area of impact?
- Does income enhancement/restoration require change in livelihoods, development of alternative farmlands or some other activities that require a substantial amount of training, time for preparation, and implementation?
- How are the risks of impoverishment to be addressed?
- What are the main institutional and other risks for the smooth implementation of the resettlement programs?
- Describe the process for monitoring the effectiveness of the income restoration measures
- Describe any social or community development programs currently operating in or around the project area. If programs exist, do they meet the development priorities of their target communities? Are there opportunities to support new programs or expand existing programs to meet the development priorities of communities in the project area?

7. Institutional Arrangements

- Describe the institution(s) responsible for delivery of each item/activity in the entitlement policy; implementation of income restoration programs; and coordination of the activities associated with and described in the resettlement action plan

- State how coordination issues will be addressed where resettlement is spread over a number of jurisdictions or where resettlement will be implemented in stages over a long period of time
  - Identify the agency that will coordinate all implementing agencies. Does it have the necessary mandate and resources?
  - Describe the external (nonproject) institutions involved in the process of income restoration (land development, land allocation, credit, training) and the mechanisms to ensure adequate performance of these institutions
  - Discuss institutional capacity for and commitment to resettlement
  - Describe mechanisms for ensuring independent monitoring, evaluation, and financial audit of the RAP and for ensuring that corrective measures are carried out in a timely fashion
8. Implementation Schedule
- List the chronological steps in implementation of the RAP, including identification of agencies responsible for each activity and with a brief explanation of each activity
  - Prepare a month-by-month implementation schedule of activities to be undertaken as part of resettlement implementation
  - Describe the linkage between resettlement implementation and initiation of civil works for each of the project components
9. Participation and Consultation
- Describe the various stakeholders
  - Describe the process of promoting consultation/participation of affected populations and stakeholders in resettlement preparation and planning
  - Describe the process of involving affected populations and other stakeholders in implementation and monitoring. Add evidence of the various past consultation events, such as attendance lists, photos etc.
  - Describe the plan for disseminating RAP information to affected populations and stakeholders, including information about compensation for lost assets, eligibility for compensation, resettlement assistance, and grievance redress
10. Grievance Redress
- Describe the step-by-step process for registering and addressing grievances and provide specific details regarding a cost-free process for registering complaints, response time, and communication modes
  - Describe the mechanism for appeal
  - Describe how the mechanism ensured unrestricted access, transparency, accountability, how it documents cases and keeps the complainants informed and the institutional setup
  - Describe the provisions for approaching civil courts if other options fail
11. Monitoring and Evaluation
- Describe the internal/performance monitoring process. Ensure monitoring program seeks to measure whether displaced enjoy at least a standard of living and access to livelihoods equal to what they enjoyed before displacement
  - Define key monitoring indicators derived from baseline survey. Provide a list of monitoring indicators that will be used for internal monitoring, including number and location of displaced/resettled persons
  - Describe institutional (including financial) arrangements
  - Describe frequency of reporting and content for internal monitoring
  - Describe process for integrating feedback from internal monitoring into implementation
  - Define methodology for external monitoring
  - Define key indicators for external monitoring
  - Describe frequency of reporting and content for external monitoring. Ensure monitoring program is regular and ongoing following project completion until durable solutions are reached

- Describe process for integrating feedback from external monitoring into implementation
- Describe arrangements for final external evaluation
- Describe need for updates to census, assets inventories, resource assessments, and socioeconomic surveys, if necessary, as part of RAP monitoring and evaluation

#### 12. Costs and Budgets

- Provide a clear statement of financial responsibility and authority
- List the sources of funds for resettlement and describe the flow of funds
- Ensure that the budget for resettlement is sufficient and included in the overall project budget. Include provisions for non-anticipated adverse impacts.
- Identify resettlement costs, if any, to be funded by the government and the mechanisms that will be established to ensure coordination of disbursements with the RAP and the project schedule. Prepare estimated budget, by cost and by item, for all resettlement costs including planning and implementation, management and administration, monitoring and evaluation, and contingencies
- Describe the specific mechanisms to adjust cost estimates and compensation payments for inflation and currency fluctuations
- Describe the provisions to account for physical and price contingencies
- Describe the financial arrangements for external monitoring and evaluation including the process for awarding and maintenance of contracts for the entire duration of resettlement

#### Annexes

- Copies of census and survey instruments, interview formats, and any other research tools
- Information on all public consultation including announcements and schedules of public meetings, meeting minutes, and lists of attendees
- Examples of formats to be used in monitoring and reporting on RAP implementation
- Entitlement matrix
- Evidence of prior informed consent for indigenous peoples and tribal communities

## Annex 2. Livelihood Action Plan – Template

A Livelihood Action Plan (LAP) details the **procedures** and **actions** that will be undertaken in order to ensure that the capacity, production levels, and standards of living of economically displaced people are improved or at least restored, and that displaced people are compensated adequately. This plan must be developed after it has been determined, following the process outlined in Standard 5, that displacement is unavoidable. The LAP reflects the commitment made by the Implementing Partner and UNDP to affected people and communities to meet obligations arising from economic displacement.

The LAP covers the following elements:

1. Introduction
  - Briefly describe the project and associated facilities (if any)
  - Describe project components requiring economic displacement; land acquisition and resettlement; give overall estimates of land and/or resources to which access has been restricted
  - Provide explanation of how economic displacement is necessary to achieve the project objectives, how the project is in the ‘public interest’ and how displacement is proportional to project outcomes
2. Minimizing Displacement
  - Describe the justification for the displacement. Please also discuss alternative project designs, including the “no project” scenario and if they may have avoided or reduced the resettlement.
  - Describe efforts and measures to minimize displacement, and expected outcomes of these efforts and measures
  - Describe how requirements of Indigenous Peoples Standard have been addressed if Indigenous Peoples are displaced.
3. Census and Socioeconomic Surveys/Social Baseline
  - Provide results of the census, assets inventories, natural resource assessments, and socioeconomic surveys and briefly describe how these were performed, i.e., techniques used, individuals interviewed, etc.
  - Identify all people and communities potentially affected by displacement activities and potential impacts to each. Be precise about the land titles or the lack thereof in the social baseline. Conduct a vulnerability assessment and outline what determines vulnerability (i.e. which criteria need to be met to consider someone vulnerable)
4. Legal Framework
  - Describe all relevant international, national, local, and community laws and customs that apply to displacement activities, with particular attention to laws and customs relating to tenure rights and highlight any potential conflicts e.g. between UNDP’s SES and national or regional law
  - Describe how free, prior, informed consent was obtained for displacement of indigenous peoples and tribal communities, if applicable
  - Describe project-specific mechanisms to address conflicts
  - Describe entitlement/compensation policies for each type of impact
  - Describe method of valuation used for affected structures, land, trees, and other assets
  - Prepare entitlement matrix, which includes budget and timeframe for payment of entitlements
5. Displacement-related Property
  - Describe how affected people have been involved in a participatory process to identify replacement property when they have lost access to property to which they have legitimate rights. Describe the advantages and disadvantages of the properties, including the property chosen.
  - Describe how affected people whose livelihoods are urban-based have been involved in a participatory process to identify livelihood replacement and support opportunities. Provide evidence of past



consultation events, such as participation lists, photos and reports.

- Describe how affected people whose livelihoods are land-based have been involved in a participatory process to identify lands they can access, including lands with productive potential, locational advantages, and other factors at least equivalent to that being lost.
- Describe how affected people whose livelihoods are natural resource-based have been involved in a participatory process to identify resources they can access with equivalent livelihood-earning potential and accessibility.
- Describe how affected people whose access to legally designated parks and protected areas has been restricted have been involved in identifying and choosing measures to mitigate impacts.
- Describe the feasibility studies conducted to determine the suitability of chosen lands and/or natural resources described above, including natural resource assessments (soils and land use capability, vegetation and livestock carrying capacity, water resource surveys) and environmental and social impact assessments of the sites.
- Give calculations relating to land and resource availability
- Describe, as relevant, mechanisms for: 1) procuring, 2) developing and 3) allotting displacement property, including the awarding of title or use rights to allotted lands and/or resources. Indicate to whom titles and use rights will be allocated, including by gender.
- Provide detailed description of the arrangements for site development for agriculture, including funding of development costs
- If circumstances made it difficult to provide land or resources as described above, provide evidence of mutual agreement with affected people/communities on alternative measures.

#### 6. Income Restoration

- Are compensation entitlements sufficient to improve livelihoods and income streams for each category of impact? Attach independent review of opportunities to enhance incomes/livelihoods. What additional economic rehabilitation measures are necessary?
- Briefly spell out the restoration strategies for each category of impact and describe their institutional, financial, and technical aspects
- Describe the process of consultation with affected populations and their participation in finalizing strategies for income restoration
- How do these strategies vary with the area of impact?
- Provide a transparent methodology/formula that is understandable to project-affected people and can be verified for each case.
- Does income restoration require change in livelihoods, development of alternative farmlands or some other activities that require a substantial amount of training, time for preparation, and implementation?
- How are the risks of impoverishment to be addressed?
- What are the main institutional and other risks for the smooth implementation of the resettlement programs?
- Describe the process for monitoring the effectiveness of the income enhancement/restoration measures
- Describe any social or community development programs currently operating in or around the project area. If programs exist, do they meet the development priorities of their target communities? Are there opportunities to support new programs or expand existing programs to meet the development priorities of communities in the project area?

#### 7. Institutional Arrangements

- Describe the institution(s) responsible for delivery of each item/activity in the entitlement policy; implementation of income restoration programs; and coordination of the activities associated with and described in the livelihood action plan
- State how coordination issues will be addressed where displacement is spread over a number of

- jurisdictions or where displacement will be implemented in stages over a long period of time
  - Identify the agency that will coordinate all implementing agencies. Does it have the necessary mandate and resources?
  - Describe the external (nonproject) institutions involved in the process of income restoration (land development, land allocation, credit, training) and the mechanisms to ensure adequate performance of these institutions
  - Discuss institutional capacity for and commitment to displacement
  - Describe mechanisms for ensuring independent monitoring, evaluation, and financial audit of the LAP and for ensuring that corrective measures are carried out in a timely fashion
8. Implementation Schedule
- List the chronological steps in implementation of the LAP, including identification of agencies responsible for each activity and with a brief explanation of each activity
  - Prepare a month-by-month implementation schedule of activities to be undertaken as part of resettlement implementation
  - Describe the linkage between resettlement implementation and initiation of civil works for each of the project components
9. Participation and Consultation
- Describe the various stakeholders
  - Describe the process of promoting consultation/participation of affected populations and stakeholders in resettlement preparation and planning. Be specific about which kinds of documentation will have to be collected (photos, reports, attendance lists, etc.)
  - Describe the process of involving affected populations and other stakeholders in implementation and monitoring
  - Describe the plan for disseminating LAP information to affected populations and stakeholders, including information about compensation for lost assets, eligibility for compensation, displacement assistance, and grievance redress
10. Grievance Redress
- Describe the step-by-step process for registering and addressing grievances and provide specific details regarding a cost-free process for registering complaints, response time, and communication modes
  - Describe how the mechanism ensured unrestricted access, transparency, accountability, how it documents cases and keeps the complainants informed and the institutional setup.
  - Describe the mechanism for appeal
  - Describe the provisions for approaching civil courts if other options fail
11. Monitoring and Evaluation
- Describe the internal/performance monitoring process. Ensure monitoring program seeks to measure whether displaced enjoy at least a standard of living and access to livelihoods equal to what they enjoyed before displacement
  - Define key monitoring indicators derived from baseline survey. Provide a list of monitoring indicators that will be used for internal monitoring, including number and location of displaced persons
  - Describe institutional (including financial) arrangements
  - Describe frequency of reporting and content for internal monitoring
  - Describe process for integrating feedback from internal monitoring into implementation
  - Define methodology for external monitoring
  - Define key indicators for external monitoring
  - Describe frequency of reporting and content for external monitoring. Ensure monitoring program is regular and ongoing following project completion until durable solutions are reached

- Describe process for integrating feedback from external monitoring into implementation
- Describe arrangements for final external evaluation
- Describe need for updates to census, assets inventories, resource assessments, and socioeconomic surveys, if necessary, as part of LAP monitoring and evaluation

#### 12. Costs and Budgets

- Provide a clear statement of financial responsibility and authority
- List the sources of funds for displacement and describe the flow of funds
- Ensure that the budget for displacement is sufficient and included in the overall project budget. Include provisions for non-anticipated adverse impacts.
- Identify displacement costs, if any, to be funded by the government and the mechanisms that will be established to ensure coordination of disbursements with the LAP and the project schedule. Prepare estimated budget, by cost and by item, for all displacement costs including planning and implementation, management and administration, monitoring and evaluation, and contingencies
- Describe the specific mechanisms to adjust cost estimates and compensation payments for inflation and currency fluctuations
- Describe the provisions to account for physical and price contingencies
- Describe the financial arrangements for external monitoring and evaluation including the process for awarding and maintenance of contracts for the entire duration of displacement

#### Annexes

- Copies of census and survey instruments, interview formats, and any other research tools
- Information on all public consultation including announcements and schedules of public meetings, meeting minutes, and lists of attendees
- Examples of formats to be used in monitoring and reporting on LAP implementation
- Entitlement matrix
- Evidence of prior informed consent for indigenous peoples and tribal communities

### Annex 3. Resettlement/Livelihood Action Framework – Template

The purpose of the resettlement/livelihood action framework is to clarify key principles, organizational arrangements, and design criteria to be applied to project components (and subprojects where relevant) to be prepared during project implementation. Once the individual project components or subprojects are defined and the necessary information becomes available, such a framework will be expanded into a specific action plan (i.e. Resettlement Action Plan/Livelihood Action Plan) proportionate to potential risks and impacts.

*Project activities that will cause physical and/or economic displacement will not commence until such specific plans have been finalized and approved by the UNDP.*

The resettlement/livelihood action framework covers the following elements:

1. Introduction
  - Purpose of the framework
  - An explanation of why a resettlement/livelihood action framework rather than a more specific action plan is being prepared
  - A description of the process for preparing and approving specific action plans
2. Project Description
  - A brief description of the project and components for which land acquisition and/or access restrictions are required
3. Potential Impacts and Affected Persons
  - Estimated displacement impacts/losses associated with all project components/phases
  - Estimated numbers and categories of displaced persons, to the extent feasible
4. Legal Framework
  - A legal framework reviewing the fit between national laws and regulations and UNDP SES requirements and measures proposed to bridge any gaps between them
5. Key Compensation and Assistance Principles
  - Initial methods of valuing affected assets
  - Eligibility criteria for defining various categories of displaced persons and entitlements
6. Organizational Arrangements
  - Procedures for delivery of compensation and other assistance, including the responsibilities of the key project partners (e.g. government, project developer, implementing partner, other actors)
7. Time frame
  - Estimated time frame for preparation of action plans for various project components
8. Participation and Consultation
  - Description of engagement activities undertaken as part of developing the framework
  - Description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring
9. Grievance Redress
  - Initial description of planned grievance redress mechanism(s)
10. Costs and Budget
  - A description of the arrangements for funding resettlement and livelihood restoration (source of funds for project components)
  - Estimated budget
11. Monitoring
  - Arrangements for monitoring and general reporting principles

## Annex 4. Process Framework – Template

A Process Framework is prepared when UNDP-supported projects may cause restrictions in access to natural resources in legally designated parks and protected areas. The purpose of the process framework is to establish a process by which members of potentially affected communities participate in the design of project components, determination of measures necessary to address the requirements of SES Standard 5, and implementation and monitoring of relevant project activities.

The level of detail of the Process Framework may vary depending on project activities, characteristics of restrictions and their impacts, and the number of persons affected. The Process Framework supplements the project's environmental and social assessment with a participatory framework focused on the potential impacts of access restrictions.

Specifically, the Process Framework should include the following elements:

1. *Project background:* Briefly describe the project and components or activities that may involve new or more stringent restrictions on natural resource use.
2. *Participatory implementation:* Describe the process by which potentially displaced persons will participate in determining potential access restrictions, mutually acceptable levels of resource use, management arrangements, and measures to address impacts on affected communities. The roles and responsibilities of stakeholders and the methods of participation and decision-making should be described; decision-making may include the establishment of representative local structures, the use of open meetings, and involvement of existing local institutions, being sure that marginalized/vulnerable groups (such as women and youth) are able to participate in decision-making processes. Methods of consultation and participation should be in a form appropriate for affected communities.
3. *Potential impacts:* Describe the process by which potentially affected communities will be involved in identifying any adverse environmental and social impacts associated with project activities, including:
  - the types and extent of community use (and use by men and women) of natural resources in relevant areas, and the existing rules and institutions for the use and management of natural resources, including customary use rights.
  - the threats to and impacts on the relevant areas from various activities in the area of local communities and other stakeholders (e.g. external poachers and traders, development activities);
  - the potential livelihood impacts on men and women of new or more strictly enforced restrictions on use of resources in the area.
4. *Eligibility criteria:* The eligibility criteria would determine which groups and persons are eligible for assistance and mitigation measures while discouraging ineligible persons, such as opportunistic settlers, from claiming benefits. That is, the criteria may exclude certain affected persons or groups from assistance because their activities are clearly illegal, unsustainable and destructive (e.g., wildlife poachers, dynamite fishers). The criteria may also distinguish between persons utilizing resources unsustainably and opportunistically, and others using resources for their livelihoods, and between groups with customary rights and non-residents or immigrants. The criteria need to account for variations in seasonal use of lands by local communities and pastoralists. The eligibility criteria should also establish a cut-off date.
5. *Measures to assist affected persons to improve their livelihoods:* Describe methods and procedures by which communities will identify and choose potential mitigating or compensating measures to be provided to those adversely affected, and procedures by which adversely affected community members will decide among the options available to them. The measures will seek to improve livelihoods in real terms to pre-displacement levels, while maintaining the sustainability of the park or protected area. However, in some circumstances affected communities may agree to restrictions without identifying one-for-one mitigation measures as they

may see the long-term benefits of improved natural resource management and conservation. Possible measures may include:

- special measures for recognition and support of customary rights to land and natural resources
  - transparent, equitable, and fair ways of more sustainable sharing of the resources
  - access to alternative resources or functional substitutes
  - alternative livelihood and income-generating activities
  - health and education benefits
  - obtaining employment, for example as park rangers or eco-tourist guides, as well as in wider project functions, such as stakeholder engagement, technical advising or monitoring and evaluation
  - technical assistance to improve land and natural resource use, and marketing of sustainable products and commodities.
6. *Conflict resolution and grievance mechanism:* Describe the process for resolving disputes relating to resource use restrictions that may arise between or among affected communities, and grievances that may arise from members of communities who are dissatisfied with the eligibility criteria, community planning measures, or actual implementation. Procedures should take into account local dispute resolution practices and institutions.
7. *Implementation and monitoring arrangements:* Describe the implementation arrangements, including activity timetable and the roles and responsibilities of different stakeholders, such as the implementing partner, affected communities, and relevant government agencies. Provide clear delineation for administrative and financial responsibilities under the project. Describe arrangements for participatory monitoring of project activities and the effectiveness of measures taken that seek to improve incomes, livelihoods and living standards.
8. *Costs and budget:* An appropriately costed plan, with itemized budget sufficient to satisfactorily undertake the activities described, including financing for livelihood enhancement measures, participatory processes, implementation and monitoring arrangements. List sources and flow of funds.

## Annex 5. Resources, Templates

Below are some key resources and links to various templates that may be utilized during resettlement planning. Note that SES Standard 5 requirements must be the reference point and that templates and other tools may need to be adapted.

[IFC, Good Practice Handbook: Land Acquisition and Resettlement \(2019\)](#) [draft, final ver. not yet posted]

- *Templates that may be adapted:*
  - Example of Census Form
  - Example of Land and Asset Survey
  - Example of Simplified Livelihood Questionnaire
  - Example of an Asset Sheet
  - Example of a Compensation Agreement
  - Scoping and Rap Consultants: Template for Terms of Reference (ToR)
  - Resettlement Compliance Reviews: Template for ToR
  - Resettlement completion Audit: Template for ToR

[EBRD, Resettlement Guidance and Good Practice \(2017\)](#)

- *Annexes that maybe adapted:*
  - Example of Entitlements Matrix
  - Example of Monitoring and Evaluation Indicators
- *Also see sections B2. and B.3 for further guidance on census and socio-economic surveys*