



Environmental and Social Requirement 5

Land acquisition, restrictions on land use and involuntary resettlement



Land acquisition, restrictions on land use and involuntary resettlement

Introduction

1. This Environmental and Social Requirement (ESR) addresses impacts of project-related land acquisition,⁵⁷ including restrictions on land use⁵⁸ and access to assets and natural resources, which may cause physical displacement (relocation, loss of land or shelter), and/or economic displacement (loss of land, assets or restrictions on land use, assets and natural resources leading to loss of income sources or other means of livelihood).⁵⁹ The term “involuntary resettlement” refers to both of these impacts and the processes to mitigate and compensate for these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use, other assets and natural resources, even if compulsory acquisition is used only as a last resort after a negotiated process.
2. Application of this ESR is consistent with the universal respect for and observance of human rights and freedoms,⁶⁰ such as the right to property, the right to adequate housing⁶¹ and the right to the continuous improvement of living conditions.
3. Unless properly managed, involuntary resettlement may result in long-term hardship and impoverishment for affected persons⁶² and communities, as well as environmental damage to and adverse socioeconomic impacts on the areas to which they have been displaced. The client will consider feasible alternative project designs and sites to avoid or minimise land acquisition or restrictions on land use, other assets and natural resources while balancing environmental, social and financial costs and benefits, and paying particular attention to gender impacts and effects on vulnerable people. Where it cannot be avoided through design, displacement will be minimised and appropriate measures carefully planned and implemented to mitigate adverse impacts on affected persons and host communities.

57 “Land acquisition” refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of land and assets, and acquisition of temporary or permanent access rights, such as easements, rights of way and the establishment of restrictions of access to protected and other areas. Land acquisition may also include: (a) acquisition of unoccupied or unutilised land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. “Land” includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and associated water bodies.

58 “Restrictions on land use” refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones.

59 “Livelihood” refers to the full range of means that individuals, families and communities use to earn a living, such as wages from employment; cash income earned through an enterprise or through the sale of produce, goods, handicrafts or services; rental income from land or premises; income from a harvest or animal husbandry, share of a harvest (such as various sharecropping arrangements) or livestock production; self-produced goods or produce used for exchange or barter; self-consumed goods or produce; food, materials, fuel and goods for personal or household use or trade derived from natural or common resources; pensions and various types of government allowance.

60 Namely, the Universal Declaration of Human Rights and the International Covenant on Economic, Social and Cultural Rights.

61 “Adequate housing” refers to adequate privacy; space; physical accessibility; security; security of tenure; structural stability and durability; lighting, heating and ventilation; basic infrastructure, such as water-supply, sanitation and waste-management facilities; suitable environmental quality and health-related factors; and an adequate and accessible location with regard to work and basic facilities.

62 “Affected person” refers to a legal or natural person experiencing either physical or economic displacement as a result of project-related land acquisition, or restrictions on land use, other assets or natural resources.

Objectives

4. The objectives of this ESR are to:
 - avoid involuntary resettlement or, where unavoidable, minimise involuntary resettlement by exploring feasible alternative project designs and sites
 - avoid forced eviction⁶³
 - mitigate unavoidable adverse social and economic risks and impacts from involuntary resettlement on affected persons by:
 - i. providing timely compensation for loss of assets at full replacement cost⁶⁴
 - ii. assisting affected persons in their efforts to improve or at least restore their livelihoods and standards of living in real terms relative to pre-displacement levels
 - iii. improving the living conditions of physically displaced vulnerable people by providing adequate housing (including essential services and utilities) with security of tenure⁶⁵ at resettlement sites
 - iv. ensuring that land acquisition, restrictions on land use, other assets and natural resources and involuntary resettlement activities are planned and implemented with meaningful consultation, participation and disclosure of information
 - v. providing affected persons with access to grievance mechanisms in accordance with the requirements of ESR 10
 - vi. enabling displaced persons to benefit directly from the project, where the nature of the project affords such opportunities.

Scope of application

5. The applicability of this ESR is established during the environmental and social impact assessment (ESIA) process described in ESR 1.
6. This ESR applies to physical or economic displacement that can be full or partial, permanent or temporary, and resulting from the following types of transaction:
 - land rights⁶⁶ and/or assets acquired through expropriation or other compulsory procedures in accordance with national law
 - land rights and/or assets acquired through negotiated settlements, if expropriation or other compulsory processes can be initiated where negotiation fails
 - restrictions that result in people experiencing loss of access to land, assets, natural resources or livelihoods, irrespective of whether such rights of restriction are acquired through negotiation, expropriation, compulsory purchase or by means of government regulation
 - relocation of people without formal, traditional or recognisable usage rights under national law, who are occupying or utilising land prior to the cut-off date

63 “Forced eviction” refers to the coerced displacement of individuals, groups and communities from their homes, lands, common property and/or resources (either legally owned or informally occupied) without the provision of and access to appropriate forms of legal and other protection, or adherence to the basic requirements defined in this ESR.

64 “Replacement cost” is a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real-estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labour for the construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable the purchase or construction of housing that meets acceptable minimum community standards of quality and safety.

65 “Security of tenure” refers to resettled individuals or communities resettled to a site 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.

66 “Land rights” include full and permanent ownership rights recognised by the law of the country, be they registered or customary; permanent or temporary usage rights derived from a formal or informal agreement or from custom, including long- or short-term leases, tenancies and sharecroppings, as well as formal or informal use of communally held natural resources such as forest, pasture and water bodies; rights of way established by law or custom; or restrictions of use or access established by law or custom.

- displacement of people as a result of project impacts that render their land or assets unusable or inaccessible
 - displacement impacts that may occur in host communities due to the relocation into such communities of affected persons physically displaced by a project.
7. This ESR also applies to any physical displacement or economic displacement carried out by the client or a government for purposes relevant to the project before the EBRD's involvement. Where displacement has already occurred prior to the involvement of the Bank, an audit will be conducted to identify: (i) compliance with national legislation and the key objectives of this ESR; (ii) any significant deviations in past activities from the key objectives of this ESR, including in respect to the rights of vulnerable people; and (iii) the corrective actions that may be required to address the gaps, as identified through the audit, to ensure compliance with the key objectives of this ESR. A corrective action plan will be prepared, which will describe all activities to achieve compliance with this ESR in the form of a time-bound plan, including a budget, implementation arrangements, allocation of roles and responsibilities, and implementation schedule. Any ongoing land acquisition, even if it was started before the EBRD's involvement, will be required to comply with this ESR.
8. This ESR does not apply to:
- resettlement resulting from voluntary land transactions (market transactions in which the seller is not obliged, coerced, intimidated or bribed to sell and the buyer cannot resort to expropriation or another compulsory process if negotiations fail), and where such transactions affect only those with legally recognised rights. However, this ESR will apply where such voluntary land transactions may result in the displacement of persons other than the seller who occupy, use or claim rights to the land in question, such as informal tenants or other land users that have no right under national law
 - the settlement of refugees, internally displaced persons and victims of natural disasters, conflict, crime or violence.⁶⁷

Requirements

General

9. At an early stage of the environmental and social assessment process outlined in ESR 1, the client will identify whether any physical and/or economic displacement is likely to be caused by the project and assess whether the project is likely to have any current or future additional land and resource needs.
10. Where there are displacement impacts, the assessment process will characterise the baseline socioeconomic circumstances of displaced persons and the potential risks and impacts the project may have on them. The extent of the assessment will be sufficient to characterise the potential significance, likelihood and severity of the impact and take into account the views of project-affected people and relevant key stakeholders.
11. Where the assessment has identified that the project may entail material risks and impacts associated with the physical and economic displacement of people and/or communities, the client will engage qualified resettlement expert(s) to assist in the preparation of a resettlement planning document, with the aim of developing and implementing measures to address impacts on displaced people in accordance with the mitigation hierarchy. The nature of the resettlement planning document to be prepared by the client will be determined by the Bank as part of the environmental and social assessment process. The resettlement planning document will include an analysis of alternative project designs and sites to demonstrate how physical and economic displacement were avoided or minimised. The scope and level of detail of the plan will be proportionate to the nature and scale of the project, its potential displacement impacts and the level of stakeholder interest.

⁶⁷ In cases where there has been displacement as a result of conflict prior to project-induced displacement, the involuntary resettlement process will be guided by the [Guiding Principles on Internal Displacement](#) (Office of the High Commissioner for Human Rights).

Avoidance or minimisation of displacement

12. The client will consider feasible alternative project designs and sites to avoid or at least minimise physical and/or economic displacement. Avoidance is the preferred approach in accordance with the mitigation hierarchy in ESR 1. It is especially important to avoid physical or economic displacement of those who are socially or economically vulnerable. The client will document avoidance and minimisation efforts and will justify in the planning documentation submitted to the Bank that, further to these efforts, residual physical (including relocation of culturally sensitive sites) or economic displacement impacts are unavoidable. This explanation will include the economic, technical, financial, environmental and any other reasons for not selecting project design options that would have avoided and minimised displacement. However, the client may consider situations where avoidance may not be an appropriate approach for public health, safety or similar reasons, and where displacement can bring direct positive development outcomes to affected persons and communities, including improved housing and greater security of tenure, or other improvements to the standards of living of project-affected persons.

Forced eviction

13. Forced evictions refer to the coerced displacement of individuals, groups and communities from their homes, land and/or common property or resources (either legally owned or informally occupied) without the provision of or access to appropriate forms of legal and other protection, or adherence to the basic requirements defined in this ESR. Forced evictions constitute a violation of human rights and are included in the EBRD's Exclusion List
14. The exercise of eminent domain, compulsory acquisition or similar powers by a client will not be considered to be forced eviction if it complies with the requirements of national law and the provisions of this ESR, and is conducted in a manner consistent with basic principles of due process (namely, it provides adequate advance notice and meaningful opportunities to lodge grievances and appeals; avoids the use of unnecessary, disproportionate or excessive force; does not result in homelessness; and ensures the provision of adequate compensation before the eviction takes place).
15. The client will notify the EBRD before any eviction takes place. This notification will include a statement that the above conditions have been and are being met.

Negotiated settlements

16. The client will seek to acquire land rights through negotiated settlements even if it has the legal means to gain access to the land without the consent of the seller. Negotiated settlements help to avoid or minimise expropriation and any administrative or judicial delays associated with a formal expropriation process. They also help, to the extent possible, to reduce the impacts on affected persons associated with formal expropriation. Negotiated settlements can usually be achieved by providing fair and appropriate compensation to affected persons or communities at full replacement cost, and in-kind compensation will be at least at replacement value. When appropriate, the client will apply all additional assistance and livelihood restoration measures. The client will ensure that under negotiated settlement, the risks of asymmetry of information and the bargaining power of the parties involved in such transactions will be mitigated. For this purpose, the Bank may require the client to engage qualified social monitoring experts to verify and document the negotiation and settlement process and assess its compliance with the requirements of this ESR.

Consideration of vulnerable people

17. The client will identify, assess and address risks to and impacts on vulnerable people in the planning and implementation of resettlement throughout the concept design, preparation and implementation phases of a project cycle. The vulnerability assessment will be context specific and carried out in accordance with ESR 1.
18. The client will implement the following activities:

- carry out, at the time of the socioeconomic surveys, an analysis to determine pertinent vulnerability factors in the context of the project area, in cooperation with relevant stakeholders, including affected communities
- identify vulnerable people based on the results of this vulnerability analysis
- conduct specific consultations with vulnerable people
- plan assistance measures tailored to the different needs of vulnerable people, describe these measures in the resettlement planning document, and provide for their implementation and funding as part of the overall land acquisition and resettlement budget.

Consideration of gender aspects

19. The process of physical displacement or economic displacement has specific gender dimensions that will be considered throughout the stakeholder engagement, baseline survey, impact assessment, mitigation and monitoring processes. Measures will be put in place to ensure meaningful participation of all genders in any consultations about resettlement, including appropriate meeting times, transport and childcare support, as well as convening women-only meetings when necessary. Projects will seek to understand the differential impacts of land acquisition, restrictions on land use and involuntary resettlement on men and women. Depending on the significance of these impacts, this may require the following, as appropriate:
 - intra-household analysis to identify differences in men's and women's sources of livelihood, including informal ones
 - analysis of women's rights over land and use thereof, including inheritance rights and co-ownership, and usage rights over communal lands and other assets
 - analysis of the impact of the resettlement on women's ability to conduct work.
20. Compensation entitlement and delivery will take into account gender issues, including (i) women's productive and household activities, (ii) fair modalities of cash compensation payment and (iii) shares in resettlement property ownership. The client will consider offering alternative compensation methods and/or modalities, especially in countries and regions where women are less likely to have access to formal financial institutions and/or bank accounts. In circumstances where national law and tenure systems do not recognise the rights of women to hold or exchange property, provision will be made to ensure, to the extent possible, that women can gain security of tenure.
21. The consultation process will ensure that women's perspectives are obtained and their interests factored into all aspects of resettlement planning and implementation. Women's and men's preferences in terms of compensation mechanisms, replacement land or alternative access to assets and natural resources rather than cash will be explored and documented.
22. Assistance with regard to livelihood improvements or restoration,⁶⁸ such as improvements to existing agricultural activities, skills training, access to credit, entrepreneurship and job opportunities, will be made equally available to men and women and adapted to their respective needs.

Socioeconomic surveys

23. Clients will carry out socioeconomic surveys to describe the baseline circumstances of project-affected people where the project may entail physical displacement or economic displacement. Such surveys will use a combination of quantitative and qualitative methods and be designed to facilitate further social and economic monitoring of the circumstances of project-affected persons. Socioeconomic baseline surveys will:
 - establish a social and economic profile of the affected communities and people with a disaggregation of data by sex and age
 - identify sources of livelihood that are affected and their significance to the overall livelihoods of project-affected people

⁶⁸ "Livelihood improvement or restoration" refers to specific allowances or activities meant to support affected persons in improving or, at a minimum, restoring their livelihoods compared with pre-displacement levels.

- identify land-tenure regimes in the affected area
 - identify any gender issues that may affect the land acquisition and resettlement process
 - identify relevant factors of vulnerability and establish a list of vulnerable people.
24. Cumulative impacts of successive phases of the development of a project, its associated facilities and other facilities or activities in the vicinity that also affect land and livelihoods of project-affected persons will be taken into consideration in planning and developing the socioeconomic survey, stakeholder engagement strategy and mitigation measures, including livelihood restoration packages, in line with ESR 1.

Census, inventory of affected assets and cut-off date

25. The client will carry out a census of project-affected people to: (i) identify persons affected by the project and (ii) determine who will be eligible for compensation and assistance. The census will also take into account seasonal resource users, informal business operators and employees who may not be present in the project area at the time of the census.
26. The client will carry out an inventory of affected assets and a detailed measurement survey, including land, structures and other physical assets attached to the land, as well as other resources, such as formal and/or informal sources of livelihood and modes of income generation, and other natural resource-based activities and employment. The client will assess the full range of rights held or asserted by affected persons, including those based on custom or practice, access or use for livelihood purposes, and rights held in common. The client will also identify any conflicting claims and disputes over affected lands, assets and livelihood resources and support their resolution through legal processes, as feasible. The detailed measurement survey will be carried out in the presence of affected persons or their representatives and other relevant stakeholders.
27. In all surveys, censuses, inventories and valuations, consultation records and the management of data associated them, the client will comply with relevant national legislation and data privacy requirements. Where consent from affected persons is required to process and store their data, such consent will be requested formally and the right to access and modification will be ensured. The client will keep track of measures taken to ensure personal data privacy and security.
28. The client will establish a cut-off date for eligibility,⁶⁹ adapted to the needs and legal framework of every project, usually either: (i) as foreseen in applicable legislation; or (ii) using the end date of the inventory or project delineation (whichever is the latest). The client will inform affected persons of the cut-off date. Information on the cut-off date will be well documented and disseminated throughout the project area at regular intervals in written and non-written form in a manner that is culturally appropriate, gender responsive, understandable and readily accessible to affected persons. This will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal. The client is not required to compensate or assist opportunistic settlers who encroach on the project area after the cut-off date.
29. The cut-off date for eligibility will be valid either: (i) for the period foreseen in national law or (ii) for a reasonable time period from the census or inventory date. Where a longer period elapses between the cut-off date and compensation of the affected land by the client, the census, inventory and resulting valuation will be updated. The client will declare a separate new cut-off date for any additional unanticipated or omitted resettlement risks and impacts not included or inaccurately assessed in a resettlement plan.

Valuation of affected lands and assets

30. Valuation will be at full replacement cost and will be performed by qualified valuers. The valuation methodology for determining replacement cost will be documented and included in relevant resettlement planning documents. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.

69 Including the definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

Eligibility classification

31. Affected persons may be classified as follows:
- i. persons who have formal legal rights to the land (including customary and traditional rights recognised under national law) or assets
 - ii. persons who do not have formal legal rights to land or assets at the time of the census, but who have a claim to land or assets that is recognised or recognisable under national law
 - iii. persons who have no recognisable legal right or claim to the land or assets they occupy or use.

Compensation and benefits for affected persons

32. Where land acquisition or restrictions on land use, other assets and natural resources (whether permanent or temporary) cannot be avoided, the client will offer compensation⁷⁰ to affected persons at full replacement cost. Other assistance may also be necessary to help them improve or at least restore their standards of living and livelihoods, subject to the provisions in this ESR.
33. In cases where only part of the land or asset is acquired and the residual land is (i) not residentially or economically viable or (ii) unsafe or inaccessible for human use or occupancy, the client will consider the options provided in national law and offer the option to acquire the entire land parcel. If there is a dispute in relation to the residential or economic viability or use of the remaining plot of land or asset, the client should engage an independent third-party valuer to provide an independent opinion to address the impact in accordance with this ESR.
34. The client will provide resettlement assistance⁷¹ to all physically displaced persons and livelihood improvement or restoration assistance to economically displaced persons, regardless of the categories of eligibility referred to above. The resettlement assistance may include separate assistance packages for project-affected people, depending on their specific needs and based on the severity of impacts caused to them. In addition, the client's obligations pertaining to compensation are as follows for each of the three categories described in paragraph 31:
- Category (i)** Provide compensation (in kind or in cash) for their legally held property⁷² and other assets at full replacement cost.
 - Category (ii)** Provide legal support for affected persons to obtain recognition of their claim to land, so that they can further be provided with compensation for their legally held property at full replacement cost and cover the cost of this recognition process.
 - Category (iii)** Provide compensation for any structures or developments on land (including crops and trees), loss of income sources and other means of livelihood.
35. Compensation standards for categories of land and fixed assets will be disclosed and applied consistently. Compensation rates may be subject to upward adjustment where negotiation strategies are employed. In all cases, a clear basis for the calculation of compensation will be documented and compensation distributed in accordance with transparent procedures.
36. Compensation will be provided before displacement or imposition of access restrictions on land or assets. Where repeated efforts to contact absentee owners have failed, where project-affected persons have rejected fair compensation offers, or where competing claims to the ownership of lands or assets are subject to lengthy legal proceedings, the client may deposit compensation funds provided by the resettlement plan into an interest-bearing account and proceed with project activities in accordance with national law. Compensation will be made immediately available to eligible persons upon resolution of entitlement issues.

⁷⁰ "Compensation" refers to payments in cash or in kind for loss of land, other assets or natural resources and access thereto that are acquired or affected by the project.

⁷¹ "Resettlement assistance" refers to technical and financial assistance provided to displaced people, in addition to compensation to support their efforts in relocating to a new home and restoring their livelihoods.

⁷² "Property" refers to a building, land or both, including all fixed assets attached to the land, such as trees and ancillary structures.

37. Where livelihoods of displaced persons are land-based⁷³ or where land is collectively owned, the client will offer land-based compensation, unless proven unfeasible or unacceptable to affected persons. Combinations of land-for-land and cash compensation may be considered among the options proposed to project-affected people. Where land-for-land options are unfeasible due to scarcity of land, or if project-affected people do not reasonably accept such options, the client will provide a clear demonstration thereof in the resettlement plan, including a justification that livelihoods will not be affected by not providing replacement land and taking into consideration the specific needs of women and vulnerable households.
38. Payment of cash compensation for lost land or assets at full replacement cost in lieu of in-kind compensation may be appropriate where: (i) livelihoods are not land based; (ii) livelihoods are land based, but the land taken for the project is a small fraction of the affected asset and the residual land is economically viable; or (iii) active markets for land, housing and labour exist, displaced persons use such markets and there is sufficient supply of land and housing.
39. In cases where affected persons reject compensation offers that meet the requirements of this ESR and, as a result, expropriation or other legal procedures are initiated, the client will explore opportunities to cooperate with the responsible government authority to obtain outcomes consistent with this ESR, including compensation at full replacement cost, resettlement assistance and livelihood improvement or restoration assistance.
40. Where urgent expropriation processes are triggered, these should only be used as a last resort when other available processes cannot yield the desired outcome for the project. Using such processes should be agreed with the Bank prior to implementation. The client will identify, consult and negotiate with all landowners prior to undertaking urgent expropriation. Compensation will still be paid prior to impact, unless landowners challenge a reasonable offer or are absent, in which case the provisional amount of compensation should be deposited in an interest-bearing account.
41. Where communities of Indigenous Peoples are affected, the client will meet the applicable requirements of this ESR, as well as those of ESR 7.

Temporary land-use restrictions

42. In case of temporary access restrictions due to project construction works, the client will ensure restored access to lands and resources or the provision of alternative access routes with appropriate community safety measures. The client will compensate affected persons for the temporary loss due to unavoidable access restrictions at replacement cost for the duration of the restriction.
43. The client will ensure that all requirements of this ESR apply to temporary land acquisition activities carried out by any contractors for project construction purposes. Where it is not possible to identify the additional land needs of the contractor(s) at the time of resettlement plan preparation, the client will submit to the Bank an addendum to the resettlement plan to address the impacts of temporary land acquisition by its contractor(s) prior to land access.

Land acquisition for associated facilities

44. Impacts and risks of land acquisition, restrictions on land use and involuntary resettlement for associated facilities will be included in the environmental and social assessment process, in line with ESR 1. The client will ensure that such risks and impacts are managed and mitigated in accordance with applicable law, good international practice (GIP) and the objectives of the ESRs to the extent that the client has control or influence over such associated facilities.

Voluntary land donations

45. In some circumstances, it may be proposed that part or all of the land to be used by the project is donated on a voluntary basis without payment of full compensation. Subject to prior approval by the Bank, this may be acceptable providing the client demonstrates that all of the following requirements are met:

⁷³ “Land-based livelihood” refers to activities such as cropping and the grazing of livestock, as well as the harvesting of natural resources.

- the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them
- the potential donor or donors have confirmed their willingness in writing
- no coercion, intimidation or bribery has been used
- the amount of land being donated will not reduce the donor's current livelihood levels and the land donation entails no residual livelihood impact
- no household relocation is involved
- the donors are expected to benefit directly from the project
- for community or collective land, donation can only occur with the consent of individuals using or occupying the land
- the client will maintain a transparent record of all consultations and agreements reached.

Loss of community facilities, utilities and public amenities

46. Where a project involves the loss of community facilities, utilities or public amenities, or access thereto, the client will replace these to ensure a better or similar level of service, based on consultation with the affected community⁷⁴ and relevant government stakeholders to identify and agree upon suitable alternatives.

Stakeholder engagement

47. Meaningful consultation of affected persons and communities, including host communities,⁷⁵ will be organised by the client throughout the process of resettlement planning, implementation and monitoring, in accordance with the principles and processes outlined in ESR 10, and will be supported by the following:
- the disclosure of relevant information and meaningful consultation of affected persons and communities will take place during the consideration of alternative project designs
 - resettlement and livelihood improvements or restoration will include options and alternatives from which affected persons and communities may choose
 - meaningful consultation will take place throughout the planning, implementation, monitoring and evaluation of the land acquisition and resettlement process, including livelihood improvement or restoration
 - additional provisions apply to consultations with displaced Indigenous Peoples, in accordance with ESR 7
 - consultation during the planning phase with all affected groups and stakeholders, including people of all genders and vulnerable people, will be documented in the resettlement plan required by this ESR
 - consultation during the implementation and monitoring phases will be documented.
48. In devising consultation measures, the client will ensure that all groups, including vulnerable people, are informed and made aware of their entitlements, rights, opportunities and benefits.
49. The client will support consultation and engagement efforts with simple, practical, accurate and culturally appropriate documentation meant for broad dissemination to affected persons.

Grievance mechanism

50. The client will establish an effective grievance mechanism as early as possible in the land acquisition and resettlement process and, at the latest, prior to the census taking place, in order to address in a timely manner specific concerns about the involuntary resettlement process, such as entitlements, access to information, compensation, relocation or livelihood restoration measures raised by affected persons, host communities or other stakeholders. The grievance mechanism will be consistent with the objectives and

⁷⁴ "Affected community" refers to the community affected by the project as defined under ESR 1, whose members are experiencing physical or economic displacement. Affected communities include host communities.

⁷⁵ "Host communities" refers to communities in or around areas to which people physically displaced by a project will be resettled.

principles pertaining to grievance management contained in ESR 10 and, among others, be socially appropriate and readily accessible, regardless of gender or any other socioeconomic characteristics, and free from manipulation, interference, coercion, intimidation and retaliation. In addition, the mechanism will include a recourse mechanism designed to resolve disputes in an impartial manner. The mechanism should not impede access to the country's available judicial or administrative remedies. The outcomes of the grievance mechanism (including numbers of grievances received, resolved and outstanding) will be reflected in monitoring reports.

Planning and implementation

51. To address the risks and impacts identified in the environmental and social assessment, the client will prepare a resettlement plan proportionate to the risks and impacts associated with the project:
 - i. For projects with minor land acquisition or restrictions on land use, as a result of which there will be no significant impact on livelihoods, the plan will establish eligibility criteria for affected persons, set out procedures and standards for compensation, and incorporate arrangements for consultations, monitoring and addressing grievances.
 - ii. For projects causing physical displacement, the plan will set out the additional measures relevant to the relocation of affected people.
 - iii. For projects involving economic displacement with significant impacts on livelihoods or income generation, the plan will set out the additional measures relating to livelihood improvement or restoration.
 - iv. For projects that may impose changes in land use that restrict access to resources in legally designated parks, protected areas or other common property resources on which local people may depend for livelihood purposes, the plan will establish a participatory process to determine appropriate restrictions on use and set out the mitigation measures to address adverse impacts on livelihoods that may result from such restrictions.
52. A resettlement plan will be developed, where the nature and magnitude of impacts associated with land acquisition can be determined at the time of the environmental and social assessment, and the resettlement plan will be submitted to the Bank. The plan will be based on up-to-date and contain: (i) reliable information on the proposed project and its potential impacts on the displaced persons and other adversely affected groups; (ii) a legal gap analysis comparing the host country's applicable laws with the requirements of this ESR, (iii) an entitlement matrix setting out compensation entitlements (whether in cash or in kind) for each category of loss and each group of affected persons; (iv) appropriate and feasible mitigation measures for all impacts identified; (v) the legal and institutional arrangements required for effective implementation of resettlement measures; (vi) resources and budget specifically allocated to resettlement that are commensurate with the mitigation measures; (vii) channels and procedures for the transfer of funds.; (viii) a resettlement timeline aligned with project design, procurement and construction works; (ix) monitoring and reporting requirements and; (ix) information on how the change process will be managed to address potential future changes in the project footprint or design and associated impacts.
53. Where unanticipated displacement impacts occur during project implementation, after the preparation of a resettlement plan, the client will conduct additional stakeholder engagement and impact assessment activities, develop appropriate mitigation measures, and prepare an addendum to the resettlement plan to assess such unanticipated impacts, with an amended entitlement matrix in accordance with the provisions of this ESR.
54. In specific cases and subject to the approval of the Bank, a resettlement framework may be acceptable as a first step in developing a resettlement plan only if there is a clearly identified and compelling reason related to the stage of project development that prevents the development of a full resettlement plan. A resettlement framework will be prepared by the client if the nature or magnitude of impacts associated with land acquisition are unknown due to the project development stage and a detailed census of project-affected people and assets cannot be conducted for this reason. The purpose of the resettlement framework is to clarify resettlement principles and organisational arrangements. Once the project components are defined in sufficient detail, a detailed resettlement plan proportionate to potential risks

and impacts will be prepared in accordance with the requirements of this ESR on the basis of the resettlement framework.

55. Resettlement planning documents will be integrated into the environmental and social management system required by ESR 1. For Category A projects, they will be submitted as part of the ESIA required under ESR 1 and disclosed according to the same review and engagement process and timeline as established in ESR 10. Where the magnitude of displacement impacts is substantial, the Bank may require disclosure of resettlement planning documents for Category B projects. Confidential information pertaining to individuals and compensation budgets will be removed from resettlement planning documents meant for public disclosure.

Organisational capacity and commitment

56. The client will apply the requirements of ESR 1 to land acquisition and resettlement activities, as applicable, and specifically establish, maintain and strengthen, as necessary, an organisational structure that defines roles, responsibilities and authority to implement land acquisition and resettlement in accordance with this ESR. The client will designate specific personnel, including resettlement expert(s) and management representative(s), with a clear allocation of responsibility and authority to plan and implement land acquisition and resettlement activities.
57. As part of resettlement planning, the client will prepare a budget proportionate to the required resettlement-related planning, mitigation, monitoring, evaluation and reporting activities, including: (i) stakeholder engagement, impact assessment, cash and in-kind compensation, livelihood restoration and livelihood improvement, relocation and resettlement, and other assistance and corrective actions; (ii) staffing and related operational costs; (iii) training and capacity-building measures; and (iv) progress monitoring, including internal and external evaluation and reporting of all resettlement-related activities. The budget will contain adequate contingencies to finance corrective actions, as well as the planning and mitigation of unanticipated impacts, if any. The client will consider allowances for inflation and any other potential contingencies to meet the replacement cost requirement. The resettlement budget(s) will be specified in a resettlement plan and other project documents, as applicable. For projects using a resettlement framework, the client will prepare an estimated budget based on the scoping of anticipated resettlement risks and impacts and with sufficient contingency, with a commitment to the future allocation of funds for a resettlement plan. The client will ensure the availability and timeliness of the required funds and provide progress updates in line with the Bank's reporting requirements.

Private-sector projects with government-managed land acquisition and resettlement

58. Land acquisition and resettlement may involve government responsibility, even where the project is privately owned. In such cases, the client will: (i) engage the responsible government agencies early in the project development process to explore ways and means to reach compliance with this ESR; (ii) seek to play an active role in land acquisition and resettlement planning, implementation and monitoring; and (iii) collaborate with the responsible government agency, to the extent permitted by the agency, to achieve outcomes consistent with the objectives of this ESR. In addition, where government capacity is limited, the client will support the government's efforts in the processes of land acquisition and resettlement.
59. The client is responsible for identifying gaps between national legislation and government practice on the one hand and the requirements of this ESR on the other (that is, compensation rates, eligibility of informal occupiers, or consultation and disclosure). When gaps are identified, the client shall take responsibility for bridging these gaps in a manner that is acceptable to the government and the Bank.
60. The client will prepare a resettlement plan or framework to complement the documents prepared by the responsible government agency, if required, to meet the requirements of this ESR. The client will include in this plan: (i) a description of the entitlements of displaced persons provided under applicable laws and regulations; (ii) the measures proposed to bridge any gaps between such entitlements and the requirements of this ESR; and (iii) the financial and implementation responsibilities of the government agency and/or the client in executing this plan. Clients will agree on the plan or framework that clearly defines each entity's roles and responsibilities in line with this ESR prior to disclosure.

Monitoring and evaluation

61. The client will establish procedures to monitor and evaluate the implementation of the resettlement plan and take corrective action, if necessary, during implementation to achieve the objectives of this ESR. Monitoring of the land acquisition, resettlement and livelihood improvement or restoration process will be carried out in accordance with ESR 1. It will involve the participation of key stakeholders, such as project-affected people, including women and vulnerable people, and other relevant stakeholders, and will consider their concerns and feedback as part of monitoring activities.
62. The extent of monitoring activities will be proportionate to the project's risks and impacts. For all projects with substantial displacement impacts, the client will retain competent resettlement professionals to monitor the implementation of resettlement plans, design corrective actions as necessary, provide advice on compliance with this ESR, and produce periodic internal monitoring reports. These monitoring reports will include progress made against the key performance indicators specified in the resettlement plan, including status of the delivery of mitigation measures to all project-affected people and vulnerable people, and provide a gender-disaggregated analysis of mitigation activities. It will be submitted to the Bank as part of the periodic environmental and social monitoring reports required by ESR 1.
63. Responsibility for providing the Bank with monitoring reports remains with the client, even where land acquisition and resettlement are implemented by a third party, such as the government.
64. The client will ensure that the implementation of the resettlement plan is verified through the submission and approval of the land acquisition and resettlement execution report⁷⁶ by the Bank upon completion of all activities.
65. Where the magnitude of displacement impacts is significant, the Bank may require one or both of the following in addition to internal monitoring:
 - Periodic external compliance reviews⁷⁷ at a frequency and according to terms of reference to be determined in the resettlement plan and in agreement with the Bank.
 - An external completion audit⁷⁸ of land acquisition and resettlement activities to determine that requirements in this ESR and provisions of the resettlement plan have been met, particularly those pertaining to improvement or replacement of housing or livelihoods. The resettlement plan will specify the timing, scope and success indicators of the completion audit. The completion audit will be undertaken by competent resettlement professionals after livelihood improvement or restoration measures have been completed and their outcomes can be measured. The completion audit report will identify corrective actions should gaps be observed and, if necessary, include a corrective action plan.
66. The client may be required to disclose external monitoring reports (including compliance review reports and the completion audit report) where the magnitude of displacement impacts is significant.

Physical displacement and resettlement assistance

67. In cases where permanent or temporary physical displacement cannot be avoided through project design, the client will develop a resettlement plan that covers, at a minimum, the applicable requirements of this ESR, regardless of the number of people affected. The plan will be designed to mitigate the negative impacts of displacement and, as warranted, to identify development opportunities. It will include a

76 "Land acquisition and resettlement execution report" refers to a report finalised on completion of land acquisition, resettlement and livelihood restoration activities, which includes: a summary of project impacts (both physical and economic displacement) and principles guiding the resettlement plan; a description of efforts to avoid and minimise displacement; a summary of consultation events and outcomes, including how they influenced entitlements and other features of the land acquisition, resettlement and livelihood restoration activities; a description of the compensation delivery process; a description of any issues encountered and how they were resolved; a summary of grievances received and how they were resolved, including the list of any grievances and court cases pending at the date of submission of the report; and a description of resources mobilised to plan and implement land acquisition, resettlement and livelihood restoration activities.

77 "External compliance review" refers to periodic external reviews of land acquisition and resettlement activities undertaken during planning and implementation of these activities to determine whether requirements of this ESR and provisions of the resettlement plan are being met. It will include recommendations to correct any observed gaps.

78 "Completion audit" refers to an external audit of land acquisition and resettlement activities undertaken after the activities defined in the resettlement plan have been completed to determine whether requirements of this ESR and provisions of the resettlement plan have been met, particularly those pertaining to livelihood improvement or restoration.

resettlement budget and implementation schedule, and establish the entitlements of all categories of affected persons (including host communities). The plan will incorporate arrangements to monitor the effectiveness of physical displacement and livelihood measures during implementation, as well as evaluation once implementation is completed. Particular attention will be paid to gender aspects and the needs of vulnerable people. The client will document all transactions to acquire land rights, as well as the provision of compensation and other assistance associated with relocation activities.

68. The client will offer displaced persons a choice between a replacement property of equal or higher value with security of tenure, or cash compensation at replacement cost if it is demonstrated that replacement property options are not possible or not accepted by project-affected people. The client will take possession of land and related assets only after compensation in accordance with this ESR has been made available and, where applicable, physically displaced persons have been resettled with relevant assistance and entitlements provided.
69. Resettlement sites or replacement properties built for displaced persons will offer adequate housing, living conditions and access to services at least equivalent to those existing before displacement. At a minimum, resettlement sites or replacement properties built for affected persons need to fulfil the following conditions:
- They are not situated on polluted land or in immediate proximity to pollution sources that threaten the mental and physical health of the inhabitants, in line with ESR 4.
 - They ensure safe housing by addressing risks associated with natural hazards.
 - They ensure security of tenure with no threat of eviction.
 - They are not located on land used by communities that have been displaced as a result of violence or conflict
 - They are considered culturally appropriate by both the affected and the host communities.
 - They are available and have the capacity to absorb the influx of resettled persons at acceptable density levels, namely, in terms of: (i) availability of services, facilities and infrastructure such as health and education; and (ii) opportunities for local employment, availability of natural resources, and food and water security.
70. The client will inform physically displaced people of the timing of the physical move with reasonable notice and after consultation, taking into consideration potential impacts on agricultural and schooling calendars, among other factors.
71. The client will provide resettlement assistance suited to the needs of each group of affected persons, with particular attention to the needs of vulnerable people. All physically displaced persons will be provided with financial and logistical transition, moving and relocation assistance.
72. The client will identify and assess potential adverse impacts on host communities that could be affected by the resettlement process. Mitigation measures that have been consulted on with the host communities will be included in the resettlement plan.
73. Where the development of resettlement sites and the reconstruction of affected housing and other affected structures are undertaken by the client, all ESRs are applicable.

Economic displacement and livelihood improvement or restoration

74. In the case of projects affecting livelihoods or income generation, the client will plan measures to improve, or at least restore, affected persons' incomes or livelihoods. The plan will establish the entitlements of affected persons and/or communities, pay particular attention to gender aspects and the needs of vulnerable people, and ensure that these are provided in a transparent, consistent and equitable manner. The plan will incorporate arrangements to monitor the effectiveness of livelihood measures during implementation, as well as evaluation once implementation is completed. The mitigation of economic displacement will be considered complete when the completion audit concludes that affected persons or communities have received all of the assistance for which they are eligible and have been provided with adequate opportunity to restore their livelihoods.

75. Impacts on incomes or livelihoods that are not a direct result of land acquisition or land-use restrictions will be identified as part of the ESIA process, in accordance with ESR 1 requirements. Examples of such impacts could include construction nuisance, such as dust, vibration, loss of livelihood due to severance of natural resources, or loss of business income due to construction impacts. Compensation and livelihood restoration measures for such impacts will be undertaken in accordance with the principles of this ESR.
76. Depending on the type of impact, livelihood improvement or restoration measures will include the following:
- Where land acquisition or restrictions on land use affect businesses,⁷⁹ compensation of the affected business owners or operators for: (i) the cost of re-establishing activities elsewhere; (ii) lost net income during the transition period;⁸⁰ and (iii) the costs of the transfer and reinstallation of the plant, machinery or other equipment, as applicable.
 - In cases where the project affects persons with legal rights to land that are recognised or recognisable under national law, the provision of replacement land or property of equal or greater value or, if appropriate, cash compensation at replacement cost.
 - Economically displaced persons who are without legally recognisable claims to land will be compensated for lost assets other than land (such as crops, irrigation infrastructure and other improvements made to the land) at replacement cost. In addition, the client will provide assistance in lieu of land compensation sufficient to provide such persons with an opportunity to re-establish livelihoods elsewhere.
 - Where communally used natural resources are affected, initiatives that enhance the productivity of the remaining resources to which the community has access, and in-kind or cash compensation for loss of access or provision of access to alternative sources of the lost resource.
 - Provision of additional targeted assistance and opportunities at least to restore or, where possible, improve their income-earning capacity, production levels and standards of living. In the case of businesses experiencing temporary losses or having to close as a result of project-related displacement, both the owner of the business and employees losing pay or employment are eligible for such assistance.
 - Provision of support during the transition period to economically displaced persons, as necessary, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels and standards of living.
 - Provision of opportunities to displaced persons and communities to derive appropriate development benefits from the project.

79 “Businesses” include shops, restaurants, services, manufacturing facilities and other enterprises, regardless of size and whether licensed or unlicensed.

80 “Transition period” refers to the period in between the occurrence of the displacement and the time when affected livelihoods are restored.