

Ministry of Energy and Mining

Development Bank of Jamaica

Energy Security and Efficiency Enhancement Project

**INVOLUNTARY RESETTLEMENT POLICY
FRAMEWORK**

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1 INTRODUCTION

The Jamaican Energy Security and Efficiency Enhancement Project is designed to provide a comprehensive support to the implementation of the Government of Jamaica's (GoJ's) energy policy and strategy covering the 2010-2030 period.

Potential environmental and social impacts related to the implementation of the Project may be associated with the energy efficiency and renewable energy investments financed through the proposed line of credit managed by the Development Bank of Jamaica (DBJ) and included in Component 2 of the Project. Other activities supported by the Project, such as the undertaking of prefeasibility, feasibility and other studies also need to review and assess potential environmental and social impacts of the activities and alternatives considered. Chapter 2 provides a description of the Project.

The Development Bank of Jamaica (DBJ), through its Approved Financial Institutions (AFIs), will finance and implement a variety of small-scale energy efficiency and renewable energy sub-projects throughout the country. These sub-projects are expected to have generally positive social impacts, albeit some could result in minor adverse resettlement impacts that would be mostly local and reversible. The DBJ in consultation with its AFIs have developed this Involuntary Resettlement Policy Framework (IRPF) to manage these potential adverse impacts and also to ensure compliance with the requirements of Jamaican laws and the World Bank's involuntary resettlement safeguard policies (OP 4.12).

The Office of Utility Regulations, the Center of Excellence for Renewable Energy (of PCJ), the LNG Project Unit, will also carry out prefeasibility, feasibility and other studies (economic, financial, regulatory, etc) required to implement the National Energy Policy. Potential and social environmental impacts would need to be assessed on a case-by-case basis.

This document presents the Involuntary Resettlement Policy Framework (IRPF) for the Energy Security and Efficiency Enhancement Project. The purpose of the IRPF is to define resettlement principles, institutional arrangements, and criteria procedures to be applied to sub-projects to be prepared during Project implementation. The IRPF aims to mitigate and minimize the impact on third parties who are affected by resettlement and the loss of land and private assets due to investments funded by the Project and whose specific location is unknown and may change over the Project's implementation. It will provide guidance to both sub-project sponsors (sub-borrowers) and the Development Bank of Jamaica's approved Financial Institutions (AFIs), and DBJ itself, for the involuntary resettlement process to be followed in evaluating individual Energy Efficiency (EE) and Renewable Energy (RE) sub-projects to be considered for financial support under the Project. Thus, the IRPF becomes an integral part of the Project's Operations Manual (OM) and is applicable to all investments financed by the Project, regardless of its funding source or implementing agency.

The IRPF covers the following elements: (i) a brief description of the Project and component for which land acquisition and resettlement are required; (ii) legal framework; (iii) principles and objectives governing involuntary resettlement policy framework; (iv) a description of the process for preparing and planning abridged abbreviated resettlement plans including land acquisition

assessment, census, consultations, feasibility studies of resettlement sites and income improvement; (v) institutional implementation arrangements and capacity building; (vi) arrangements for monitoring and evaluation and redress and grievance mechanisms.

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2 PROJECT DESCRIPTION

2.1 Project background

The Jamaica Energy Security and Efficiency Enhancement Project is designed to provide a comprehensive support to the implementation of the Government of Jamaica's (GoJ's) energy policy and strategy covering the 2010-2030 period. The key goals of the energy policy are to: (a) increase Jamaica's energy security by diversifying the energy matrix; (b) enhance Jamaica's economic competitiveness and performance by improving the efficiency of the energy sector, and by minimizing end-users energy costs; and (c) reduce greenhouse gas (GHG) emissions from the energy sector.

Specific Project goals are to build capacity in the current institutional framework; to provide international best practice advice to the government to support its liquefied natural gas (LNG) and renewable energy (RE) diversification efforts; to promote investments in energy efficiency (EE) measures benefitting residential customers and small and medium enterprises (SMEs); and to reduce GHG emissions from the energy sector.

To achieve these goals, the Project will support GoJ in: (a) strengthening the energy sector regulatory framework and the relevant public sector institutions to increase sector performance and mobilize investment (Component 1); (b) realization of Jamaica's Energy Efficiency (EE) potential by testing electrical appliances for energy efficiency, proposing efficiency standards and by informing consumers, and supporting private sector investment in energy efficiency and renewable energy (Component 2); and (c) providing resources for the implementation of GOJ energy program and of the Project (Component 3).

Component 2 will finance the delivery of testing and labeling equipment for electrical appliances as well as investments in energy efficiency (EE) (Sub-Component 2.1) and renewable energy (RE) projects in private industries and SMEs (Sub-Component 2.4). The financing of testing and labeling equipment will support the expansion of the appliances labeling (and testing) program of the Bureau of Standards. The financing for the EE and RE sub-projects (Sub-component 2.2) will be provided by selected local financial institutions (Approved Financial Institutions – AFIs) drawing from a line of credit established by the Development Bank of Jamaica (DBJ) with a portion of the proceeds from the World Bank credit to the government. The financing will be provided for the purpose of investing in technologies or upgrades that significantly enhance energy efficiency (EE) or use of renewable energy (RE).

Component 1 will consist of provision of experts' advice, training and preparation of prefeasibility, feasibility and other studies (economic, financial, regulatory, etc). The studies financed by the Project will include an assessment of the potential environmental and social impacts.

The Framework will be used for Component 1, for the preparation of prefeasibility/feasibility and other studies, and Component 2, for the testing and labeling of equipment for electrical appliances and for energy efficiency (Sub-Component) and renewable energy sub-projects to be financed by DBJs Line of Credit (Sub-Component 2.4). The Involuntary Resettlement Policy

Framework will guide the preparation of Resettlement Action Plans (RP) and Abbreviated Resettlement Plans (ARPs) as required. The RP and ARP include budgets for resettlement planning, consultation, compensation payments and restrictions on land use, either for security reasons or sub-project work associated infrastructure.

2.2 Social Context

Jamaica's population is dispersed 43.3 percent between the main urban areas of St. Catherine, Kingston and St. Andrew, and the remaining 56.8 percent of the population is shared among the remaining 11 parishes. However, economic and social developments within rural areas have not kept pace with urban areas. The Jamaica Survey of Living Conditions (2006) indicated the distribution of poverty was significantly greater in rural areas; 21.2 percent within the Kingston Metropolitan Region, 13.1 percent in other towns, and, 65.7 percent in rural areas. Typically, rural areas have more population aged 0-14, while the urban areas have a slight majority of persons aged 15-64 years. This reflects the usual urban migration from rural areas as individuals seek employment and educational opportunities that are limited within rural areas.

As for electricity coverage rates, Jamaica has a high electricity coverage rate of about 92 percent (slightly below the 94 percent average for the Latin America region). Of the 590,000 electricity customers 525,000 are residential. Despite the high coverage rate, its consumption per household is rather low and has increased only slowly by 1.7 percent per year, driven mainly by the increase in household numbers. Electricity tariffs are among the most expensive in the region due to the imported fossil fuel dominated matrix that relies mainly on heavy fuel oil and diesel.¹

The Energy Security and Efficiency Enhancement Project will support private sector sponsored sub-projects in energy efficiency (EE) and renewable energy (RE) provided by selected local financial institutions (AFI's) drawing from a line of credit established by the DBJ. Under this mechanism small and medium enterprises (SME) may have access to initial funding and technical expertise to support development of the EE and RE sub-projects. The requirements to access the credit line will be made public to inform potential users. The project will be national in coverage and the areas of implementation will not be defined at the time of Project Appraisal.

2.3 Description of potential sub-projects financed by the line of credit

The Project's geographical scope is Jamaica. Potential investments financed through the line of credit could include, but not be limited to, RE and EE investments in solar panels, solar water heaters, retrofitting/replacement of lighting equipment, air conditioning facilities, chillers, etc. and are expected to be relatively small (US\$150-200,000) and will only be known once the SMEs proposals are assessed by the AFIs, National Environmental and Planning Agency (NEPA) and by the DBJ. Sub-projects will be assessed and financed on a first-come first-serve basis.

The sub-projects are owned by private enterprises (SMEs). They will be appraised and financed by the AFIs. Once the sub-project appraisal has been completed, the AFI will request DBJ financing. Section VI describes the implementation arrangements in more detail. DBJ will carry

¹ In Jamaica diesel was almost three times as expensive as alternative fuels in 2008.

out its own review and will provide sub-project financing on a first-come first-serve basis. DBJ will inter alia ensure that the sub-projects are in compliance with the national regulations (NEPA) and with the World Bank requirements.

These types of RE and EE investments have minor or no adverse involuntary resettlement impacts. The sub-projects are not expected to result in major involuntary resettlement nor in any displacement of families or/and individuals. However, the sub-projects could need smaller pieces of land for certain EE or RE investments, or construction activities may infringe temporarily on land plots or existing structures. Therefore the project has been assigned a World Bank Environmental Category “B”.

2.4 Description of Potential Prefeasibility and/or Feasibility and Other Studies Financed by the Project

The Project will also finance the provision of experts’ advice, training and preparation of prefeasibility or feasibility studies, and depending on its typology, will include an assessment of the potential social impacts. Advisory support for prefeasibility and/or feasibility studies or other planning studies with possible social implications, such as the LNG plant feasibility studies, should be assessed. A review of potential downstream effects or rapid risk assessment should be prepared and the associated costs of any social work that would have to be carried-out in addition to, or part of, the proposed study should be assessed prior to embarking on it.

Recognizing that there are a variety of study types with varying degrees of social implications, it is important that the prefeasibility and/or feasibility studies demonstrate an appropriate consideration for promoting social objectives, as well as minimizing related risks of future plans, policies and programs. To address environmental issues associated with the desired outcome of the prefeasibility and/or feasibility study, detailed ToRs will be developed during implementation which will include the evaluation of various social issues of importance.

A set of guiding principles should encompass the following concepts:

- (i) Integrate environmental and social objectives into the prefeasibility/feasibility study process. These studies often provide a significant opportunity to integrate environmental and social objectives as an integral part of the planning process. As such, ToRs to incorporate environmental and social objectives into the studies, plans and policy formulation should be included within the scope of work;
- (ii) Promote transparency through stakeholder participation and public information disclosure. Since many studies promote improved planning, this provides an excellent opportunity to promote broad stakeholder engagement and participation. As appropriate, strategic planning initiatives this could include focus groups, citizen consultations, expert panels, public hearings, etc. at all phases of the studies;
- (iii) Promote use of innovative environmental and social assessments such as SEA. Studies supporting policies, plans and programs are ideally suited to apply new and innovative techniques of strategic environmental analysis. Studies can provide an ideal vehicle for this longer term analytical approach and there currently exists a strong interest and demand among counterpart agencies and line ministries;

- (iv) Promote systematic and comprehensive analysis of alternatives. Where studies support the development of specific investment plans, such as for large scale infrastructure, studies should be used to meaningfully explore alternatives at various levels, including assessing the relative impacts of those alternatives. Such alternatives analysis could be explicit in an SEA or could be carried out as part of other master planning or strategic studies.
- (v) Promote environmental and social capacity building and institutional strengthening. Studies can provide an opportunity to build counterpart capacity for integrating environmental and social concerns into their work. This could be done through direct support to line agencies. Support for capacity building could come in the form of policy strengthening, training, support for operations, technical standards setting, monitoring and reporting among others.

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3 LEGAL FRAMEWORK

3.1 Safeguards and Regulatory Framework

The 1962 Constitution of Jamaica contains a chapter dealing with the Protection of the Fundamental Rights and Freedoms of the individual. The Land Acquisition Act of 1947 as amended, vests authority in the Commissioner of Lands to acquire all land required by the Government for public purposes. The matrix below outlines the land acquisition procedure as defined by the Land Acquisition Act of 1947 and the measures in this Policy Framework to improve upon the Act:

Table 1. Land Acquisition Act of 1947 vs. IRPF

Land Acquisition Act of 1947 Summary of land acquisition procedure and principles		Gap-filling measures in IRPF
Part II.3(1)	Whenever it appears to the Minister (responsible for Crown lands) that land in any locality is needed for any public purpose, a notification to that effect shall be published in the Gazette and a copy thereof served upon the owner of such land and the Commissioner of Lands shall cause public notification to be given at a convenient place in such locality.	Project preparation involves consultation with project beneficiaries and persons potentially affected by land acquisition on both the type of activities that may require land acquisition and on measures to avoid or limit the need for land (Section VII).
Part II.5(4)	Any such declaration shall be conclusive evidence that the land is needed for a public purpose.	
Part II.6	Whenever any land has been so declared to be needed for a public purpose, the Minister shall direct the Commissioner to take proceedings for the acquisition of the land.	
Part II.7	The Commissioner shall thereupon cause the land to be surveyed, unless such land has already been marked out.	Assessment of land acquisition impacts includes a census of those affected with socio-economic data (Annex 6), and an inventory of losses (Annex 7).
Part II.8	The Commissioner shall then cause the land to be valued and shall enter into negotiations for the purchase by private treaty of the land.	An inventory of losses (Annex 7).
Part II.9(1) and (2)	Where no agreement by private treaty has been reached for the purchase of land needed, the Commissioner shall post notices at convenient places on or near the land that claims to compensation may be made to him at a specified time at least 21 days after the posting of notices.	
Part II.10(1)	The Commissioner may also require any person interested to deliver to him the name of any other person possessing any interest in the land or any part thereof as co-owner, mortgage, lessee, tenant, or otherwise, and of the rents and profits, if any, received or receivable on account thereof of three years preceding the date of the statement.	Entitlement to compensation and rehabilitation assistance applies not only to legal owners (or persons with a contractual relation to the owner deriving a profit from the land/asset), but also to tenants/ lease-holders who use a land/house as residence and squatters without

		title or lease (who were occupants at the time of the survey) (Section IV).
Part II.11(1)	On the day specified in the notice, the Commissioner shall make an award as to the true area of the land to be acquired, the compensation amount, and the apportionment of this amount among the persons known or believed to be interested in the land.	
Part II.11(2)	If any dispute arises as to the apportionment of the compensation or any part thereof, or as to the persons to whom compensation is payable, the Commissioner may refer such dispute for the decision of the Court.	Grievance redress is pursued at different levels before the matter is taken to the Court (Section IV).
Part II.14 (1) 14 (1)(a) 14 (1)(c) 14 (1)(d)	In determining the amount of compensation to be awarded for land acquired under the Act, the following and no other matters shall be taken into consideration: <ul style="list-style-type: none"> • The market value at the date of the service of notice, • The damage, if any, sustained by any person interested at the time of taking possession by the Commissioner by reason of the acquisition injuriously affecting the actual earnings of such person, • The reasonable expenses, if any, incidental to any change of residence or place of business of any person interested which is necessary in consequence of the acquisition. 	Compensation for lost assets is at Replacement Costs which entails valuation of assets at market price and includes transaction costs to determine the amounts sufficient to replace the lost assets and cover transaction costs (Section IV).
Part II.15 (1) Part II.15 (2)	In case of urgency, the Commissioner may, if the Minister so directs, at such time subsequently to the publication of the notice (Part II, 9 (1)) as the Minister may specify, take possession of any land required for a public purpose. The Commissioner shall in such case offer to the persons interested compensation for the loss of standing crops and fruit.	Compensation shall be provided before assets acquired and taken into possession (Section IV). Compensation will be paid for crops and trees (including non-fruit(trees) affected by permanent or temporary land acquisition (Section IV).
Part III.36	When the amount of compensation is not paid or deposited on or before taking possession of the land, the Commissioner shall pay the amount awarded with interest thereon at the rate of 5 % per annum from the time of taking possession until it has been paid or deposited.	Interest will be paid at market rate on the amount awarded. (Section IV).
Part VII.44	The provisions of the Act shall not be put in force for the purpose of acquiring a part only of any building which is reasonably required for the full and unimpaired use of such building if any person interested desires that the whole of such building shall be acquired.	Applies to agricultural land , as well if more than 50 % is acquired or the remaining land is rendered economically unviable.

In addition to the gaps described in the matrix above, this Involuntary Resettlement Policy Framework also addresses the following areas not covered by the Land Acquisition Act:

- In case acquisition of either residential, business, or agricultural land causes displacement, land for land (or land of equal or similar value) compensation is the preferred option where feasible, if the affected person so desires.
- Assistance will be provided to tenants/lease holders and squatters to find alternative accommodation, if the affected person so desires.
- Income restoration assistance is provided if required.

For the avoidance of doubt, reference to the Land Acquisition Act is merely used as a guide to formulating this Land Acquisition and Resettlement Policy Framework. Sub-borrowers are expected to assume all costs of resettlement following the guidelines contained herein.

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4 PRINCIPLES OF INVOLUNTARY RESETTLEMENT POLICY FRAMEWORK

4.1 Objectives and Principles

The objective of this Resettlement Policy Framework is to ensure that where land acquisition is unavoidable, all project affected persons (PAPs) will be compensated for their lost assets at replacement costs at market price and including transaction costs, and in the event of resettlement be provided with assistance to help them improve, or at least restore, their livelihoods and standards of living to pre-displacement levels. To support this objective, the following principles will apply:

1. During sub-project preparation process, consideration of technical options shall involve a concurrent assessment of potential associated land acquisition impacts, so that, where feasible, design alternatives to minimize such impacts can be identified as early as possible.
2. Consultation arrangements during the sub- project preparation process shall be transparent and inclusive to ensure that all persons affected by involuntary land acquisition or resettlement agree on the mitigation measures.
3. Sub-project proposals involving involuntary land acquisition or displaced population shall include the costs of compensation/rehabilitation (at market price and including transaction costs).
4. Replacement housing sites or agricultural land will be located as near as possible to the land lost, and at an available site which is acceptable to the PAP.
5. Lack of formal title to assets lost (land/house/business) will not bar a PAP from being entitled to receive assistance to achieve the objective of this Involuntary Resettlement Policy Framework.
6. Land and other assets will only be taken into possession **after** compensation has been paid to the affected person, and relocation assistance shall likewise be provided **before** people are displaced.
7. If compensation cannot be paid or deposited before the assets acquired are taken into possession, interest will be paid at market rate on the amount awarded from the date of award till the date of payment.
8. If affected people elect to voluntarily donate land/assets without compensation, they must be fully informed about the project and its grievance redress arrangements ahead of the agreement, and it must be documented that this act is performed freely and voluntarily, without any coercion.

4.2 Means of Obtaining Access to Land

The infrastructure investments undertaken in the AFIs financed sub-projects may involve a small size of land acquisition that could be obtained through one or a combination of the different means listed below. While all of these means of obtaining land would require documentation, not all would necessitate payment of compensation and/or provision of relocation and rehabilitation assistance. However, in all cases, care should be taken to ensure that the persons involved are fully informed about the Project, about the avenues for grievance redress (see Section 4.5). This information must be provided during the consultations that take place as part of the participatory community project preparation process (see Section 6).

Table 2. Means of Land Acquisition and its Requirement

Means of Land Acquisition	Requirements
Voluntary donation or long term lease of private land	Attached to the sub-project proposal/plan must be Proof of Ownership and Documentation of Donation of Assets or Documentation of Long Term Lease (see Operational Manual for sample of these documents).
Donation of community land	Attached to the sub-project proposal/plan must be Proof of Ownership and Documentation of Donation of Assets (see Operational Manual for sample of these documents).
Willing-seller-willing-buyer transaction	Attached to the sub- project proposal/plan must be Proof of Ownership and Documentation of Sale of Assets.
Transfer of public land without squatters or other encumbrances	Attached to the sub-project proposal/plan must be permission from the Government Agency holding the land or from the Commissioner of Lands (see Operational Manual for sample of these documents).
Transfer of public land with squatters or other encumbrances	Attached to the sub- project proposal/plan must be permission from the Government Agency holding the land or from the Commissioner of Lands together with a mitigation plan based on this Policy Framework to provide rehabilitation and relocation assistance for squatters.
Involuntary land acquisition based on eminent domain with or without associated displacement	Abbreviated Resettlement Plan attached as an annex to the community project proposal/plan

If in a sub-project, the SME chooses to obtain the land required for a particular infrastructure investment through purchase from a willing seller, the funds for this purchase must be provided by the SME as part of its contribution towards the capital costs of the project. This must be included in the sub-project budget.

4.3 Asset Valuation

The valuation of the assets to be acquired will be conducted independently from AFIs and sub-project proponents.

Acquired assets will be compensated at replacement costs, based on market price and including transaction costs), and in calculating replacement cost, depreciation of structures and assets is not taken into account, acquired under a community project. For agricultural land, replacement cost is the sub-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, the replacement value, if provided as cash compensation, is the market costs of materials to build a similar or better structure than the one affected, plus costs of labor/contractors, and the cost of any registration and transfer taxes. Where domestic law and/or practice does not meet the standard of compensation at full

replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard of the Bank's OP 4.12.

Displaced persons/families will receive relocation assistance to cover (i) the costs of moving from their previous to their new location, and (ii) an allowance equal to the local average costs of living during a two month transition period to resettle in their new location of residence or business.

4.4 Eligibility and Entitlements

The table below defines the eligibility for compensation and/or rehabilitation assistance for impacts/losses for different types of assets for different categories of PAPs.

Table 3. Means of Land Acquisition and its Requirement

Asset Acquired	Type of Impact	Entitled Person	Compensation Entitlement
AGRICULTURAL LAND	No displacement: <ul style="list-style-type: none"> • Less than 50% of land holding affected, • The remaining land remains economically viable 	Farmer / title holder	Cash compensation can be paid when less than 20% of a holding's total productive area is affected and the remainder is economically viable.
		Tenant/lease holder	Cash compensation can be paid when less than 20% of a holding's total productive area is affected and the remainder is economically viable.
	Displacement: <ul style="list-style-type: none"> • More than 50% of land holding lost OR <ul style="list-style-type: none"> • Less than 50% of land holding lost but remaining land not economically viable 	Farmer/title holder	<ul style="list-style-type: none"> • Land for land replacement where feasible, or compensation in cash for the landholding can be paid when less than 20% of a holding's total productive area is affected and the remainder is economically viable. Land for land replacement will be in terms of a new parcel of land of equivalent size and productivity with a secure tenure status at an available location which is acceptable to the PAP. Transfer of the land to the PAP shall be free of taxes, registration & other costs. • Relocation assistance (costs of shifting + assistance in reestablishing economic trees + allowance up to a maximum of 12 months while short-term crops mature)
		Tenant/lease holder	<ul style="list-style-type: none"> • Cash compensation can be paid when less than 20% of a holding's total productive area is affected and the remainder is economically viable . • Relocation assistance (costs of shifting + allowance). • Assistance in getting alternative land lease, if required.
		Agricultural worker	<ul style="list-style-type: none"> • Cash compensation equivalent to local average of 6 months' salary • Relocation assistance (costs of shifting + allowance) • Assistance in getting alternative employment.
COMMERCIAL LAND	No displacement: Land used for business partially affected, limited loss	Title holder/ business owner	<ul style="list-style-type: none"> • Cash compensation for affected land can be paid when less than 20% of a holding's total productive area is affected and the remainder is economically viable • Opportunity cost compensation equivalent to 5% of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist)3.

		Business owner is lease holder	Opportunity cost compensation equivalent to 10% of net annual income based on tax records for previous year (or tax records from comparable business, or estimates where such records do not exist)
	Displacement: Premise used for business severely affected, remaining area insufficient for continued use	Title holder/ business owner	<ul style="list-style-type: none"> • Land for land replacement or compensation in cash according to PAP's choice. Land for land replacement will be provided in terms of a new parcel of land of equivalent size and market potential with a secured tenure status at an available location which is acceptable to the PAP. Transfer of the land to the PAP shall be free of taxes, registration & other costs. • Relocation assistance (costs of shifting + allowance) • Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates).
		Business person is lease holder	<ul style="list-style-type: none"> • Opportunity cost compensation equivalent to 2 months net income based on tax records for previous year (or tax records from comparable business, or estimates), or the relocation allowance, whichever is higher. • Relocation assistance (costs of shifting) • Assistance in rental/lease of alternative land/property (for a maximum of 6 months) to re-establish the business.
RESIDENTIAL LAND	No displacement: Land used for residence partially affected, limited loss, and the remaining land remains viable for present use	Title holder	Cash compensation for affected land
		Rental/lease holder	Cash compensation equivalent to 10% of lease/rental fee for the remaining period of rental/lease agreement (written or verbal)
	Displacement: Premise used for residence severely affected, remaining area insufficient for continued use or becomes smaller than minimally accepted under zoning law/s	Title holder	<ul style="list-style-type: none"> • Land for land replacement or compensation in cash according to PAP's choice. Land for land replacement shall be of minimum plot of acceptable size under the zoning law/s or a plot of equivalent size, whichever is larger, in either the community or a nearby resettlement area with adequate physical and social infrastructure systems as well as secured tenure status. When the affected holding is larger than the relocation plot, cash compensation to cover the difference in value. Transfer of the land to the PAP shall be free of taxes, registration & other costs. • Relocation assistance (costs of shifting + allowance)
		Rental/lease holder	<ul style="list-style-type: none"> • Cash compensation equivalent to 3 months of lease/rental fee • Assistance in rental/lease of alternative land/property • Relocation assistance (costs of shifting + allowance)
STANDING CROPS	Crops affected by land acquisition or temporary acquisition or easement	PAP (whether owner, tenant, or squatter)	Cash compensation can be paid when less than 20% of a holding's total productive area is affected and the remainder is economically viable.
TREES	Trees lost	Title holder	Cash compensation based on type, age and productive value of affected trees PLUS 10% premium
TEMPORARY ACQUISITION	Temporary acquisition	PAP (whether owner, tenant, or squatter)	Cash compensation for any assets affected (e.g. boundary wall demolished, trees removed)

4.5 Grievance Redress Arrangements

Resolution of different types of grievances regarding land acquisition and or resettlement will be attempted at different levels:

- Solutions to grievances related to land acquisition impacts should be pursued directly with the affected people by the private sector entity (SME) with facilitation by AFI and DBJ staff together with design consultants in order to find technical solutions that avoid or further minimize the need for land acquisition.
- Solutions to grievances related to voluntary land donations (e.g. pressure on individuals to donate land) or sale of private land for project use should likewise be attempted directly with the affected person by the private sector entity (SME) and with facilitation by AFI and DBJ staff.
- Solutions to grievances related to compensation amounts, delays in compensation payments or provision of different types of resettlement assistance should be pursued speedily by the private sector entity (SME) and confirmed with the AFI and DBJ.

AFI's and DBJ's land acquisition and resettlement staff will ensure that community members and in particular PAPs are informed about the avenues for grievance redress, and will maintain a record of grievances received, and the result of attempts to resolve these (Annex 4). This information will be included in the AFI and DBJ regular progress reporting.

5 RESETTLEMENT PLANS

This section describes the elements of resettlement instruments according to World Bank Involuntary Resettlement Policy (OP 4.12). The first five resettlement instruments, in either form described below, will be submitted to the Bank for review no later than three months before the planned start of civil works. Implementation of the resettlement instrument, either a Resettlement Plan (RP) or an Abbreviated Resettlement Plan (ARP), will only begin after approval by DBJ and if found acceptable by the Bank.

5.1 Resettlement Action Plan (RP)

For subprojects requiring land acquisition, a Resettlement Action Plan (RP) shall be completed no later than four months prior to the planned date for commencement of civil works. Implementation of a specific Abbreviated Resettlement Plan will only begin after approval by DBJ and if found acceptable by the Bank. The RP covers the elements below, as relevant. When any element is not relevant to the subproject's circumstance, it should be noted in the RP. The scope and level of detail of the RP will vary with the magnitude and complexity of the subproject, but will cover the following areas:

1. Description of the subproject;
2. Potential Impacts, including the identification of (i) the subproject activities that give rise to the resettlement; (ii) the area of impact of the subproject; (iii) the alternatives considered to avoid or minimize resettlement, to the extent possible, during implementation;
3. Objectives of the resettlement program;
4. Socioeconomic studies. The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including (i) results of the census; (ii) other studies describing land tenure and transfer systems, patterns of social interaction in the affected community, public infrastructure and social services that will be affected, and social and cultural characteristics of displaced community;
5. Legal Framework, including relevant law governing land tenure, gaps, if any, between local laws and the Bank's resettlement policy;
6. Institutional Framework providing information of relevant agencies responsible for resettlement activities and NGOs that may have a role in subproject implementation, an assessment of their institutional capacity, and any step proposed to enhance their institutional capacity;
7. Eligibility of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance;
8. Valuation of and compensation for losses describing the methodology to be used in valuing losses to determine their replacement cost;
9. Resettlement measures describing the packages of compensation and other resettlement measures that will assist displaced persons;²
10. Site selection, site preparation and relocation. Alternative relocation sites covered and explanation of those selected;

² In addition to being technically and economically feasible, the resettlement packages should be compatible with the cultural preferences of the displaced persons, and prepared in consultation with them.

11. Housing, infrastructure, and social services. This section should include plans to provide (or to finance resettlers' provision of) housing, infrastructure, and social services; plans to ensure comparable services to host populations; and/or any necessary site development, engineering, and architectural designs for these facilities;
12. Environmental protection and management, describing the boundaries of the relocation area and an assessment of the environmental impacts of the proposed resettlement, and measures to mitigate and manage these impacts;
13. Community participation. Involvement of the resettlers and host communities including: (i) consultation strategy; (ii) summary of views expressed and how these will be taken into account in preparing the resettlement plan; (iii) a review of resettlement alternatives presented and the choices made by the affected persons; (iv) institutionalized arrangements by which displaced people can communicate their concerns;
14. Integration with host population. Measures to mitigate the impact of resettlement on any host communities;
15. Grievance procedures. Affordable and accessible procedures for third-party settlement of disputes arising from resettlement. Grievance mechanisms should take into account the availability of judicial recourse, and community and traditional dispute settlement mechanisms.
16. Organizational responsibilities describing the agencies responsible for implementing resettlement plan, arrangements to ensure adequate coordination, and any measure needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities;
17. Implementation Schedule for all resettlement activities that also indicates how the resettlement activities are linked to the implementation of the subproject;
18. Costs and budget for all resettlement activities, including contingencies, source of funds, and arrangements for timely flow of funds;
19. Monitoring and evaluation arrangements

The funding required to implement a RP shall be part of the overall costs of a particular sub-project. The sources of funding for the different resettlement activities shall be clearly specified in the budget. Compensation for assets acquired will be from counterpart funds, while rehabilitation together with costs for developing resettlement sites can be either counterpart or Loan funds. The World Bank cannot finance cash payments. The time-bound implementation plan will specify the delivery of land acquisition compensation and rehabilitation entitlements in relation to the timing of physical construction activities.

5.2 Abbreviated Resettlement Plan (ARP)

For sub-projects requiring land acquisition, where fewer than 200 people are displaced, an Abbreviated Resettlement Plans (ARPs) shall be completed no later than four months prior to the planned date for commencement of civil works. Implementation of a specific ARP will only begin after approval by DBJ and if found acceptable by the Bank. The Abbreviated Resettlement Plan will cover the following:

1. Description of the specific activities under a sub-project that require land, together with the different means used to obtain this land (see Section 4);

2. A census of persons affected/displaced by involuntary land acquisition including an inventory of lost assets and valuation of these, and socio-economic data (see Annex 5, 6 and 7);
3. Description of the compensation and other resettlement assistance to be provided (see Section 4);
4. Description of the consultations with affected/displaced persons about acceptable alternatives (see Section 7);
5. Institutional responsibility for implementation and procedures for grievance redress (see Section 6);
6. Arrangements for monitoring and implementation (see Section 7);
7. A time-bound implementation plan and budget.

The funding required to implement an Abbreviated Resettlement Plan shall be part of the overall costs of a particular sub-project. The sources of funding for the different activities in the Abbreviated Resettlement Plan shall be clearly specified in the budget. Compensation for assets acquired will be from the private sector entity (SME) funds, while rehabilitation together with costs for developing resettlement sites can be either private sector entity (SME) or Loan funds. The time-bound implementation plan will specify the delivery of land acquisition compensation and rehabilitation entitlements in relation to the timing of physical construction activities.

6 IMPLEMENTATION ARRANGEMENTS

6.1 Implementation Responsibility

Implementation of sub-projects, and ensuring that all social requirements of the World Bank involuntary resettlement safeguard policies are properly implemented, is under the overall responsibility of the AFIs and DBJ. The provisions of this IRPF will apply regardless of the implementing agency, and AFIs and DBJ will retain ultimate responsibility for the good environmental management of all the sub-projects.

The AFIs will designate qualified staff to manage involuntary resettlement risk and ensure that the procedures specified in the Involuntary Resettlement Policy Framework and the ARPs, as appropriate, are properly followed during implementation. AFIs designated Environmental Officer (EO) will support its staff with all technical reviews or any other activities to ensure satisfactory implementation of the IRPF and ARPs. Each AFI will interact directly with their private sector clients (likely to be SMEs) and will be responsible for sub-project appraisal and for the due diligence on involuntary resettlement matters. Once the sub-project appraisal has been completed, the AFIs will propose the sub-project for DBJs financing.

DBJ will assume overall responsibility for the implementation of the Line of Credit and will be the Bank's main interlocutor. DBJ will review the sub-project documentation and as appropriate will release Line of Credit resources to the AFIs. DBJ will be responsible for collecting information (on a quarterly basis or more frequently as needed) from the participating AFIs, for site visit of selected sub-projects and for reporting to the Bank through MEM. The first five EE/RE sub-projects will be reviewed by the Bank prior to their approval by DBJ/AFIs.

The World Bank social safeguard specialists will provide training to perform the tasks required under the IRPF in the identification and management of involuntary resettlement risk in project evaluation and implementation.

7 CONSULTATION AND DISCLOSURE

The Project's Involuntary Resettlement Policy Framework will be available to the general public, in order to develop a seamless two-way interaction with the public and relevant non-governmental, family and/or beneficiaries and/or affected population in an objective, clear, transparent and timely manner. The levels of information and consultation will be provided in accordance with the communication needs for audiences and at different stages, and will be developed with specific guidelines and protocols consistent with national legislation and policies of World Bank safeguards policies governing the Project.

The purpose of the public consultation(s) is (are) to solicit views of groups or individuals who may be affected by the sub-project regarding environmental concerns. During the sub-project preparation process, consideration of technical options must involve a concurrent assessment of potential associated land acquisition impacts as described in the Table 2 below. This will facilitate an early and ongoing identification of feasible technical design alternatives to minimize such impacts, and will also enable consultation with persons affected by land acquisition to obtain their consent regarding mitigation measures.

To ensure that all persons potentially affected by involuntary land acquisition have a voice in the consultations, and that they agree on the mitigation measures if land acquisition is found to be unavoidable, it is important that the consultation arrangements during the community based project preparation process are:

- transparent and inclusive, so that people are made aware of their options, and that those potentially affected by land acquisition are included in the consultations,
- held in a location accessible to all interested PAPs, and
- that PAPs and particularly those potentially affected by land acquisition are informed of the purpose, time and venue well in advance.

Consultation should include the recording of significant involuntary resettlement issues identified by the affected groups or people, recommendations and next steps. Any significant issues established during the public consultation should be addressed by the involuntary resettlement documentation.

Public disclosure provides affected groups or individuals the opportunity to examine the final approved document so they can review the mitigation measures agreed upon and the responsible parties for implementing them.

In order to ensure that consultation, disclosure, and affected parties' engagement continue throughout the sub-project construction and operation phases, the sub-borrower will, consistent with the risks and adverse impacts of the project, establish a grievance mechanism as part of its involuntary resettlement management system (see Section 4). This should allow the sub-borrower to receive and facilitate the resolution of concerns and grievance about the sub-projects involuntary resettlement performance raised by the affected communities or individuals. The sub-borrower will inform the affected communities or individuals during the public consultation of the IRPF document about the grievance mechanism and how their concerns are addressed promptly and transparently.

Table 4 shows the key involuntary resettlement-related consultation and disclosure actions during project preparation and implementation. It also shows the outputs or results of these actions. It is important that the AFIs, DBJ, and the affected people, follow and participate in the process prescribed in the Operational Manual as set out below:

Table 4. Key Environmental Consultation Actions during Project Preparation

Step in Project Cycle as per Operations Manual	Actions on Land Acquisition	Responsible
Promotion (information dissemination on AFI/DBJ funding of sub-projects and rules of the game)	Information dissemination on: <ul style="list-style-type: none"> - project eligibility (<10 families to be resettled), - need to avoid or minimize land acquisition in project planning, - acceptable means of obtaining land and - compensation for PAPs 	- AFIs Resettlement Officer
Sub-project application	Indicate: <ul style="list-style-type: none"> - expected need for land for specific investment components, - means of obtaining such land, and - need for land acquisition and assessment of impacts. 	- SME
Review of Application	Reject application and return for revision if 10 or more families are planned to be resettled as a result of envisaged land acquisition, <ul style="list-style-type: none"> - Include preparation of Abbreviated Resettlement Plan in TOR for design consultant if required. 	- AFIs Resettlement Officer
Sub-project Concept Development	Preliminary Site Screening and Consultations to: <ul style="list-style-type: none"> - verify need for land for specific investment components, - confirm information on voluntary land donations and availability of unused government land, - assess options for avoiding or minimizing land acquisition, - ensure that potentially affected persons and land donors are involved in the consultation and informed of options, - Conduct census of PAPs. 	- AFIs Resettlement Officer and Technical Appraisal Officers
Sub-project Design	Present Abbreviated Resettlement Plan in a stakeholder consultation to obtain endorsement from PAPs and affected people.	- AFIs Resettlement Officer
Sub-project Approval	<ul style="list-style-type: none"> - Submit Abbreviated Resettlement Plan for review and approval. - Disclosure of the Abbreviated Resettlement Plan at a place accessible to PAPs and NGOs. 	- AFIs

8 MONITORING AND REPORTING

The AFIs will have the main responsibility for monitoring the application and use of the Involuntary Resettlement Policy Framework (IRPF). Within the AFIs there shall be a Resettlement Officer (RO) and a Legal Officer. Their principal tasks under this IRPF are to:

- Ensure that the identification and planning of land acquisition and involuntary resettlement are integrated into the sub-project preparation process as described in Section 4;
- Draft ToRs for preparation and implementation of Resettlement Plans and Abbreviated Resettlement Plans, and review draft plans for compliance with the IRPF;
- Supervise implementation of Resettlement Plans Abbreviated Resettlement Plans, and compliance with documentation requirements for land obtained through donations, purchase, or transfer of available government land,
- Facilitate and monitor resolution of grievances related to land acquisition,
- Liaise with other government agencies such as the Land Valuation Division in the National Land Agency, and the Commissioner of Land.

When developing an Abbreviated Resettlement Plan (ARP) it will establish a baseline through the census of PAPs which will comprise socio-economic data, the inventory of assets lost, and the compensation and resettlement benefits awarded to the PAPs. Progress monitoring by AFIs will record the timely provision of compensation to PAPs, and the timely provision of resettlement assistance. An evaluation will be undertaken to establish whether the objective of the measures to mitigate the land acquisition and resettlement impacts have been achieved, namely, whether PAPs affected by land acquisition and resettlement have been able to improve, or at least restore, their livelihoods and standards of living to pre-displacement levels.

During the usual sub-project supervision activities, the AFIs will check with local environmental authorities to determine if the sub-project implementation is meeting all specified IRPF and, if applicable, ARP requirements. It will also perform supervision site visits to the sub-projects to confirm, if applicable, that ARP requirements are being adequately implemented. A supervision report covering the environmental management issues should be included in the overall site visit report. The AFI's Resettlement Officer (RO) will prepare quarterly and annual reports on the key steps, outputs and results of the environmental management actions taken for all sub-projects throughout the project cycle.

As part of the normal reporting, the AFIs will request each sub-borrower to include a section on land acquisition and involuntary resettlement performance with respect to the sub-project investment, including any critical mitigating actions taken and any significant environmental incidents. However, if during a site visit, the AFIs determine that involuntary resettlement management procedures are not being followed adequately, the AFIs should request more frequent reporting (semi-annually or quarterly) until the sub-borrower demonstrates that the situation has been corrected. The AFIs will include an involuntary resettlement section in every report prepared for the World Bank. As appropriate, the section will discuss details of any involuntary resettlement issues that have occurred during the reporting period and the actions taken by the AFI and/or any of their sub-borrowers to resolve them.

Problems and issues arising during the use of the IRPF will be flagged and brought to the attention of Management and for their action. Copies of the quarterly and annual IRPF monitoring reports will also be sent to the DBJ and the World Bank. The Bank will also review these reports during the periodic supervision missions.

9 TRAINING AND CAPACITY BUILDING

AFIs and DBJ have not previously been dealing with land acquisition in the projects it has managed and it does not at present have staff dedicated to the planning, implementation, and monitoring of land acquisition and resettlement. However, AFIs and the DBJ, are committed to strengthening its capacity in this area, by designating a minimum of two staff members to manage land acquisition and resettlement. In addition, training will be provided to the staff.

The designated Resettlement Officer (RO) is also responsible for the organization and provision of training sessions, including a training plan and its modules, in environmental screening and environmental management for AFIs project officers, field supervision staff, small and medium enterprise development officers and selected community representatives to familiarize them with the principles and procedures as set out in the IRPF.

ANNEX 1

Glossary Definitions used in the IRPF

The definitions used in this Involuntary Resettlement Policy Framework are:

“**Census**” means the head count of the persons affected by land acquisition in terms of asset loss and/or displacement, together with an inventory of the assets lost by these persons. The census also includes basic socio-economic data, and is undertaken when the project concept for basic infrastructure investments under a project is agreed between the affected population and AFIs. The date of the census establishes the cut-off date to record the persons in a community project area, who can receive compensation for lost assets, and/or resettlement and rehabilitation assistance.

“**Compensation**” means the reparation at replacement cost as determined in Section IV of this Involuntary Resettlement Policy Framework in exchange for assets acquired by an affected party (land, buildings, or other assets).

“**Cut-Off Date**” means the date after which no person moving into the sub-project area will be eligible to receive compensation related to land acquisition and resettlement. The cut-off date is the date of the census of the persons affected by land acquisition.

“**Displaced Persons**” means PAPs who are forced to relocate from their previous location because (i) all of their land or buildings are acquired for a sub-project, or (ii) because the amount of land or buildings acquired renders the remaining portion economically unviable or uninhabitable.

“**Eminent Domain**” means the right of the state to acquire land for a public purpose using its sovereign power.

“**Inventory of Assets**” means a complete listing and description of all assets that will be acquired under a specific sub-project.

“**Land Acquisition**” means the process of acquiring land for a sub-project under the legally mandated procedures of eminent domain.

“**Project Affected Person**” (PAP) means the people directly affected by land acquisition for a sub-project through loss of part or all of their assets whether temporarily or permanently including land, houses, other structures, businesses, crops/trees, or other types of assets.

“**Rehabilitation Assistance**” means assistance comprising job placement, job training, or other forms of support to enable displaced persons, who have lost their source of livelihood as a result of the displacement, to improve or at least restore their income levels and standard of living to pre-project levels.

“**Relocation Assistance**” means the assistance provided to displaced persons/families to cover (i) the costs of moving from their previous to a new location, and (ii) an allowance equal to the

local average costs of living for a two month transition period to resettle in a new location of residence or business.

“**Replacement Cost**” means the method of valuation of assets to determine the amounts sufficient to replace the lost assets and cover transaction costs.

“**Resettlement**” means the relocation of displaced persons into new residential locations.

DRAFT Dec 28 For Comments

ANNEX 2
OP 4.12 – INVOLUNTARY RESETTLEMENT

These policies were prepared for use by World Bank staff and are not necessarily a complete treatment of the subject.

OP 4.12
December, 2001

This Operational Policy statement was updated in March 2007 consequent to the issuance of [OP/BP 8.00, Rapid Response to Crises and Emergencies](#). Previously revised in April 2004 to ensure consistency with the requirements of [OP/BP 6.00, Bank Financing](#), issued in April 2004 which changes may be viewed [here](#).

Note: OP and BP 4.12 together replace OD 4.30, *Involuntary Resettlement*. These OP and BP apply to all projects for which a Project Concept Review takes place on or after January 1, 2002. Questions may be addressed to the Director, [Social Development Department](#) (SDV).

1. Bank¹ experience indicates that involuntary resettlement under development projects, if unmitigated, often gives rise to severe economic, social, and environmental risks: production systems are dismantled; people face impoverishment when their productive assets or income sources are lost; people are relocated to environments where their productive skills may be less applicable and the competition for resources greater; community institutions and social networks are weakened; kin groups are dispersed; and cultural identity, traditional authority, and the potential for mutual help are diminished or lost. This policy includes safeguards to address and mitigate these impoverishment risks.

Policy Objectives

2. Involuntary resettlement may cause severe long-term hardship, impoverishment, and environmental damage unless appropriate measures are carefully planned and carried out. For these reasons, the overall objectives of the Bank's policy on involuntary resettlement are the following:

(a) Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.²

(b) Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons³ should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.

(c) Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.⁴

Impacts Covered

3. This policy covers direct economic and social impacts⁵ that both result from Bank-assisted investment projects,⁶ and are caused by

(a) the involuntary⁷ taking of land⁸ resulting in
(i) relocation or loss of shelter;

- (ii) lost of assets or access to assets; or
- (iii) loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or

(b) the involuntary restriction of access⁹ to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.

4. This policy applies to all components of the project that result in involuntary resettlement, regardless of the source of financing. It also applies to other activities resulting in involuntary resettlement, that in the judgment of the Bank, are

- (a) directly and significantly related to the Bank-assisted project,
- (b) necessary to achieve its objectives as set forth in the project documents; and
- (c) carried out, or planned to be carried out, contemporaneously with the project.

5. Requests for guidance on the application and scope of this policy should be addressed to the Resettlement Committee (see [BP 4.12, para. 7](#)).¹⁰

Required Measures

6. To address the impacts covered under para. 3 (a) of this policy, the borrower prepares a resettlement plan or a resettlement policy framework (see paras. 25-30) that covers the following:

(a) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are

- (i) informed about their options and rights pertaining to resettlement;
- (ii) consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and
- (iii) provided prompt and effective compensation at full replacement cost¹¹ for losses of assets¹² attributable directly to the project.

(b) If the impacts include physical relocation, the resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are

- (i) provided assistance (such as moving allowances) during relocation; and
- (ii) provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site.¹³

(c) Where necessary to achieve the objectives of the policy, the resettlement plan or resettlement policy framework also include measures to ensure that displaced persons are

- (i) offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living;¹⁴ and
- (ii) provided with development assistance in addition to compensation measures described in paragraph 6(a);

(iii) such as land preparation, credit facilities, training, or job opportunities.

7. In projects involving involuntary restriction of access to legally designated parks and protected areas (see para. 3(b)), the nature of restrictions, as well as the type of measures necessary to mitigate adverse impacts, is determined with the participation of the displaced persons during the design and implementation of the project. In such cases, the borrower prepares a process framework acceptable to the Bank, describing the participatory process by which

- (a) specific components of the project will be prepared and implemented;
- (b) the criteria for eligibility of displaced persons will be determined;
- (c) measures to assist the displaced persons in their efforts to improve their livelihoods, or at least to restore them, in real terms, while maintaining the sustainability of the park or protected area, will be identified; and
- (d) potential conflicts involving displaced persons will be resolved.

The process framework also includes a description of the arrangements for implementing and monitoring the process.

8. To achieve the objectives of this policy, particular attention is paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, indigenous peoples,¹⁵ ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.

9. Bank experience has shown that resettlement of indigenous peoples with traditional land-based modes of production is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, the Bank satisfies itself that the borrower has explored all viable alternative project designs to avoid physical displacement of these groups. When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups (see para. 11) that are compatible with their cultural preferences and are prepared in consultation with them (see [Annex A, para. 11](#)).

10. The implementation of resettlement activities is linked to the implementation of the investment component of the project to ensure that displacement or restriction of access does not occur before necessary measures for resettlement are in place. For impacts covered in para. 3(a) of this policy, these measures include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. In particular, taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons. For impacts covered in para. 3(b) of this policy, the measures to assist the displaced persons are implemented in accordance with the plan of action as part of the project (see para. 30).

11. Preference should be given to land-based resettlement strategies for displaced persons whose livelihoods are land-based. These strategies may include resettlement on public land (see footnote 1 above), or on private land acquired or purchased for resettlement. Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. If land is not the preferred option of the displaced persons, the provision of land would adversely affect the sustainability of a park or protected area,¹⁶ or sufficient land is not available at a reasonable price, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash

compensation for land and other assets lost. The lack of adequate land must be demonstrated and documented to the satisfaction of the Bank.

12. Payment of cash compensation for lost assets may be appropriate where (a) livelihoods are land-based but the land taken for the project is a small fraction¹⁷ of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labor exist, displaced persons use such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

13. For impacts covered under para. 3(a) of this policy, the Bank also requires the following:

(a) Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. Appropriate and accessible grievance mechanisms are established for these groups.

(b) In new resettlement sites or host communities, infrastructure and public services are provided as necessary to improve, restore, or maintain accessibility and levels of service for the displaced persons and host communities. Alternative or similar resources are provided to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).

(c) Patterns of community organization appropriate to the new circumstances are based on choices made by the displaced persons. To the extent possible, the existing social and cultural institutions of resettlers and any host communities are preserved and resettlers' preferences with respect to relocating in preexisting communities and groups are honored.

Eligibility for Benefits¹⁸

14. Upon identification of the need for involuntary resettlement in a project, the borrower carries out a census to identify the persons who will be affected by the project (see the [Annex A, para. 6\(a\)](#)), to determine who will be eligible for assistance, and to discourage inflow of people ineligible for assistance. The borrower also develops a procedure, satisfactory to the Bank, for establishing the criteria by which displaced persons will be deemed eligible for compensation and other resettlement assistance. The procedure includes provisions for meaningful consultations with affected persons and communities, local authorities, and, as appropriate, nongovernmental organizations (NGOs), and it specifies grievance mechanisms.

15. *Criteria for Eligibility.* Displaced persons may be classified in one of the following three groups:

(a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);

(b) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets--provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan (see [Annex A, para. 7\(f\)](#)); and¹⁹

(c) those who have no recognizable legal right or claim to the land they are occupying.

16. Persons covered under para. 15(a) and (b) are provided compensation for the land they lose, and other assistance in accordance with para. 6. Persons covered under para. 15(c) are provided resettlement assistance²⁰ in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the project area prior to a cut-off date established by the borrower and acceptable to the Bank.²¹ Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. All persons included in para. 15(a), (b), or (c) are provided compensation for loss of assets other than land.

Resettlement Planning, Implementation, and Monitoring

17. To achieve the objectives of this policy, different planning instruments are used, depending on the type of project:

(a) a resettlement plan or abbreviated resettlement plan is required for all operations that entail involuntary resettlement unless otherwise specified (see para. 25 and [Annex A](#));

(b) a resettlement policy framework is required for operations referred to in paras. 26-30 that may entail involuntary resettlement, unless otherwise specified (see [Annex A](#); and

(c) a process framework is prepared for projects involving restriction of access in accordance with para. 3(b) (see para. 31).

18. The borrower is responsible for preparing, implementing, and monitoring a resettlement plan, a resettlement policy framework, or a process framework (the "resettlement instruments"), as appropriate, that conform to this policy. The resettlement instrument presents a strategy for achieving the objectives of the policy and covers all aspects of the proposed resettlement. Borrower commitment to, and capacity for, undertaking successful resettlement is a key determinant of Bank involvement in a project.

19. Resettlement planning includes early screening, scoping of key issues, the choice of resettlement instrument, and the information required to prepare the resettlement component or subcomponent. The scope and level of detail of the resettlement instruments vary with the magnitude and complexity of resettlement. In preparing the resettlement component, the borrower draws on appropriate social, technical, and legal expertise and on relevant community-based organizations and NGOs.²² The borrower informs potentially displaced persons at an early stage about the resettlement aspects of the project and takes their views into account in project design.

20. The full costs of resettlement activities necessary to achieve the objectives of the project are included in the total costs of the project. The costs of resettlement, like the costs of other project activities, are treated as a charge against the economic benefits of the project; and any net benefits to resettlers (as compared to the "without-project" circumstances) are added to the benefits stream of the project. Resettlement components or free-standing resettlement projects need not be economically viable on their own, but they should be cost-effective.

21. The borrower ensures that the Project Implementation Plan is fully consistent with the resettlement instrument.

22. As a condition of appraisal of projects involving resettlement, the borrower provides the Bank with the relevant draft resettlement instrument which conforms to this policy, and makes it available at a place accessible to displaced persons and local NGOs, in a form, manner, and language that are understandable to them. Once the Bank accepts this instrument as providing an adequate basis for project appraisal, the Bank makes it available to the public through its InfoShop. After the Bank has approved the final resettlement instrument, the Bank and the borrower disclose it again in the same manner.²³

23. The borrower's obligations to carry out the resettlement instrument and to keep the Bank informed of implementation progress are provided for in the legal agreements for the project.

24. The borrower is responsible for adequate monitoring and evaluation of the activities set forth in the resettlement instrument. The Bank regularly supervises resettlement implementation to determine compliance with the resettlement instrument. Upon completion of the project, the borrower undertakes an assessment to determine whether the objectives of the resettlement instrument have been achieved. The assessment takes into account the baseline conditions and the results of resettlement monitoring. If the assessment reveals that these objectives may not be realized, the borrower should propose follow-up measures that may serve as the basis for continued Bank supervision, as the Bank deems appropriate (see also [BP 4.12, para. 16](#)).

Resettlement Instruments

Resettlement Plan

25. A draft resettlement plan that conforms to this policy is a condition of appraisal (see [Annex A, paras. 2-21](#)) for projects referred to in para. 17(a) above.²⁴ However, where impacts on the entire displaced population are minor,²⁵ or fewer than 200 people are displaced, an abbreviated resettlement plan may be agreed with the borrower (see [Annex A, para. 22](#)). The information disclosure procedures set forth in para. 22 apply.

Resettlement Policy Framework

26. For sector investment operations that may involve involuntary resettlement, the Bank requires that the project implementing agency screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the borrower submits, prior to appraisal, a resettlement policy framework that conforms to this policy (see [Annex A, paras. 23-25](#)). The framework also estimates, to the extent feasible, the total population to be displaced and the overall resettlement costs.

27. For financial intermediary operations that may involve involuntary resettlement, the Bank requires that the financial intermediary (FI) screen subprojects to be financed by the Bank to ensure their consistency with this OP. For these operations, the Bank requires that before appraisal the borrower or the FI submit to the Bank a resettlement policy framework conforming to this policy (see [Annex A, paras. 23-25](#)). In addition, the framework includes an assessment of the institutional capacity and procedures of each of the FIs that will be responsible for subproject financing. When, in the assessment of the Bank, no resettlement is envisaged in the subprojects to be financed by the FI, a resettlement policy framework is not required. Instead, the legal agreements specify the obligation of the FIs to obtain from the potential subborrowers a resettlement plan consistent with this policy if a subproject gives rise to resettlement. For all subprojects involving resettlement, the resettlement plan is provided to the Bank for approval before

the subproject is accepted for Bank financing.

28. For other Bank-assisted project with multiple subprojects²⁶ that may involve involuntary resettlement, the Bank requires that a draft resettlement plan conforming to this policy be submitted to the Bank before appraisal of the project unless, because of the nature and design of the project or of a specific subproject or subprojects (a) the zone of impact of subprojects cannot be determined, or (b) the zone of impact is known but precise sitting alignments cannot be determined. In such cases, the borrower submits a resettlement policy framework consistent with this policy prior to appraisal (see [Annex A, paras. 23-25](#)). For other subprojects that do not fall within the above criteria, a resettlement plan conforming to this policy is required prior to appraisal.

29. For each subproject included in a project described in para. 26, 27, or 28 that may involve resettlement, the Bank requires that a satisfactory resettlement plan or an abbreviated resettlement plan that is consistent with the provisions of the policy framework be submitted to the Bank for approval before the subproject is accepted for Bank financing.

30. For projects described in paras. 26-28 above, the Bank may agree, in writing, that subproject resettlement plans may be approved by the project implementing agency or a responsible government agency or financial intermediary without prior Bank review, if that agency has demonstrated adequate institutional capacity to review resettlement plans and ensure their consistency with this policy. Any such delegation, and appropriate remedies for the entity's approval of resettlement plans found not to be in compliance with Bank policy, are provided for in the legal agreements for the project. In all such cases, implementation of the resettlement plans is subject to ex post review by the Bank.

Process Framework

31. For projects involving restriction of access in accordance with para. 3(b) above, the borrower provides the Bank with a draft process framework that conforms to the relevant provisions of this policy as a condition of appraisal. In addition, during project implementation and before enforcing of the restriction, the borrower prepares a plan of action, acceptable to the Bank, describing the specific measures to be undertaken to assist the displaced persons and the arrangements for their implementation. The plan of action could take the form of a natural resources management plan prepared for the project.

Assistance to the Borrower

32. In furtherance of the objectives of this policy, the Bank may at a borrower's request support the borrower and other concerned entities by providing

(a) assistance to assess and strengthen resettlement policies, strategies, legal frameworks, and specific plans at a country, regional, or sectoral level;

(b) financing of technical assistance to strengthen the capacities of agencies responsible for resettlement, or of affected people to participate more effectively in resettlement operations;

(c) financing of technical assistance for developing resettlement policies, strategies, and specific plans, and for implementation, monitoring, and evaluation of resettlement activities; and

(d) financing of the investment costs of resettlement.

33. The Bank may finance either a component of the main investment causing displacement and requiring resettlement, or a free-standing resettlement project with appropriate cross-conditionalities, processed and implemented in parallel with the investment that causes the displacement. The Bank may finance resettlement even though it is not financing the main investment that makes resettlement necessary.

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1. "Bank" includes IBRD and IDA; "loans" includes IDA credits and IDA grants, guarantees, Project Preparation Facility (PPF) advances and grants; and "projects" includes projects under (a) adaptable program lending; (b) learning and innovation loans; (c) PPFs and Institutional Development Funds (IDFs), if they include investment activities; (d) grants under the Global Environment Facility and Montreal Protocol, for which the Bank is the implementing/executing agency; and (e) grants or loans provided by other donors that are administered by the Bank. The term "project" does not include programs under development policy lending operations. "Borrower" also includes, wherever the context requires, the guarantor or the project implementing agency.
 2. In devising approaches to resettlement in Bank-assisted projects, other Bank policies should be taken into account, as relevant. These policies include [OP 4.01](#), *Environmental Assessment*, [OP 4.04](#), *Natural Habitats*, [OP 4.10](#), *Indigenous Peoples*, and [OP 4.11](#), *Physical Cultural Resources*.
 3. The term "displaced persons" refers to persons who are affected in any of the ways described in para. 3 of this OP.
 4. Displaced persons under para. 3(b) should be assisted in their efforts to improve or restore their livelihoods in a manner that maintains the sustainability of the parks and protected areas.
 5. Where there are adverse indirect social or economic impacts, it is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse economic and social impacts, particularly upon poor and vulnerable groups. Other environmental, social, and economic impacts that do not result from land taking may be identified and addressed through environmental assessments and other project reports and instruments.
 6. This policy does not apply to restrictions of access to natural resources under community-based projects, i.e. where the community using the resources decides to restrict access to these resources, provided that an assessment satisfactory to the Bank establishes that the community decision-making process is adequate, and that it provides for identification of appropriate measures to mitigate adverse impacts, if any, on the vulnerable members of the community. This policy also does not cover refugees from natural disasters, war, or civil strife (see [OP/BP 8.00](#), *Rapid Response to Crises and Emergencies*).
 7. For the purposes of this policy, "involuntary" means actions that may be taken without the displaced person's informed consent or power of choice.
 8. "Land" includes anything growing on or permanently affixed to land, such as buildings and crops. This policy does not apply to regulations of natural resources on a national or regional level to promote their sustainability, such as watershed management, groundwater management, fisheries management, etc. The policy also does not apply to disputes between private parties in land titling projects, although it is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse social impacts, especially those affecting poor and vulnerable groups.
 9. For the purposes of this policy, involuntary restriction of access covers restrictions on the use of resources imposed on people living outside the park or protected area, or on those who continue living inside the park or protected area during and after project implementation. In cases where new parks and protected areas are created as part of the project, persons who lose shelter, land, or other assets are covered under para. 3(a). Persons who lose shelter in existing parks and protected areas are also covered under para. 3(a).
 10. The *Involuntary Resettlement Sourcebook* provides good practice guidance to staff on the policy.
 11. "Replacement cost" is the method of valuation of assets that helps determine the amount sufficient to
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replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account (for a detailed definition of replacement cost, see [Annex A](#), footnote 1). For losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standard. Such additional assistance is distinct from resettlement assistance to be provided under other clauses of para. 6.

12. If the residual of the asset being taken is not economically viable, compensation and other resettlement assistance are provided as if the entire asset had been taken.
13. The alternative assets are provided with adequate tenure arrangements. The cost of alternative residential housing, housing sites, business premises, and agricultural sites to be provided can be set off against all or part of the compensation payable for the corresponding asset lost.
14. Such support could take the form of short-term jobs, subsistence support, salary maintenance or similar arrangements.
15. See [OP 4.10](#), *Indigenous Peoples*.
16. See [OP 4.04](#), *Natural Habitats*.
17. As a general principle, this applies if the land taken constitutes less than 20% of the total productive area.
18. Paras. 13-15 do not apply to impacts covered under para. 3(b) of this policy. The eligibility criteria for displaced persons under 3 (b) are covered under the process framework (see paras. 7 and 30).
19. Such claims could be derived from adverse possession, from continued possession of public lands without government action for eviction (that is, with the implicit leave of the government), or from customary and traditional law and usage, and so on.
20. Resettlement assistance may consist of land, other assets, cash, employment, and so on, as appropriate.
21. Normally, this cut-off date is the date the census begins. The cut-off date could also be the date the project area was delineated, prior to the census, provided that there has been an effective public dissemination of information on the area delineated, and systematic and continuous dissemination subsequent to the delineation to prevent further population influx.
22. For projects that are highly risky or contentious, or that involve significant and complex resettlement activities, the borrower should normally engage an advisory panel of independent, internationally recognized resettlement specialists to advise on all aspects of the project relevant to the resettlement activities. The size, role, and frequency of meeting depend on the complexity of the resettlement. If independent technical advisory panels are established under [OP 4.01](#), *Environmental Assessment*, the resettlement panel may form part of the environmental panel of experts.
23. See [The World Bank Policy on Disclosure of Information, para. 34](#) (Washington, D.C.: World Bank, 2002).
24. An exception to this requirement may be made in highly unusual circumstances (such as emergency operations) with the approval of Bank Management (see [BP 4.12, para. 8](#)). In such cases, the Management's approval stipulates a timetable and budget for developing the resettlement plan.
25. Impacts are considered "minor" if the affected people are not physically displaced and less than 10 percent of their productive assets are lost.
26. For the purpose of this paragraph, the term "subprojects" includes components and subcomponents.

Annex 3 Information Needed Regarding Land Ownership

The landowner must in all cases produce satisfactory documentary proof of ownership or permission to use the land before an application will be processed.

Satisfactory proof of ownership includes the following:

- Duplicate Certificate of Title or Common Law Conveyance in favor of the owner.

If the owner is unable to send either of these documents, AFIs will accept Voluntary Declaration forms (available upon request) completed by the owner and two (2) independent persons who have knowledge of the history of the land for at least thirty (30) years. Additionally, a survey of the land prepared by a commissioned land surveyor should be obtained, if none exists. A Common Law Conveyance can then be done (with the survey attached) transferring the land to the Commissioner of Lands, or an incorporated community based entity. An application can also be made to the Registrar of Titles to have a registered title issued to the Commissioner of Lands or an incorporated community based entity.

If the owner inherited the land JSIF requires the following:

- Copy of the Will (where applicable)
- Copy Probate/Letters of Administration
- Registration on Transmission, and
- Assent to Devise

Note that AFIs will accept copies of documents but originals must be available upon demand.

If the required documentation is in place, the landowner must then:

- Agree to immediately transfer the land to the Commissioner of Lands (the Commissioner) or
- Enter into a written agreement to transfer the land by way of gift or,
- Be prepared to provide either the Commissioner, other relevant government agency, with a least of at least forty-nine (49) years duration at a nominal rent.

ANNEX 4
REPORTING FORMAT FOR GRIEVANCES REDRESS

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Community Project & Name of Complainant	Type of Grievance					Grievance resolution			
	Affected, but not informed about impacts and options	Compensation awarded is inadequate	Compensation not paid before asset acquisition	Resettlement benefits awarded are not provided	Other	Date of complaint	Date resolved	Pending	Case referred to the Court
Community Project 1									
Complainant A									
Complainant B									
Complainant C									
Community Project 2									
Complainant D									
Complainant E									
TOTAL									

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