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ETHIOPIA CULTURAL HERITAGE

**Resettlement/Rehabilitation
Policy Framework**

Ethiopia Cultural Heritage Project
Learning and Innovation Loan (LIL) Credit 3632 – ET

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List of Acronyms

ARCCH	Authority for Research and Conservation of Cultural Heritage
ASPEN	Africa
Cr.	Credit
EA	Environmental Assessment
EEPA	Ethiopian Environmental Protection Authority
EIA	Environmental Impact Assessment
EEPCCO	Ethiopian Electric and Power Corporation.
EU	European Union
GCRC	Gross Current Replacement Cost
HIV/AIDS	Human Immuno Deficiency Virus/Acquired Immuno Deficiency Syndrome
IDA	International Development Association
IEC	Information, Education, Communication
IEE	Initial Environmental Examination
MoFED	Ministry of Finance and Economic Development
NGOs	Non- governmental Organizations
NORAD	Norwegian Agency for Development Cooperation
OD	Operational Directives
PCU	Project Co-ordination Unit
PAPs	Project Affected Persons
Para(s)	Paragraph(s)
PMO	Prime Minister's Office
RAP	Resettlement Action Plan
RPF	Resettlement/Rehabilitation Policy Framework
SA	Social Assessment
SIA	Social Impact Assessment
SPR	Sector Policy and Research
STDs	Sexually Transmitted diseases
TM	Task Manager
ToR	Terms of Reference
WB	World Bank

Preface

A resettlement/rehabilitation policy framework (RPF) is a document that ought to be established prior to project implementation. This has not been the case for the Ethiopia Cultural Heritage Project. The rationale is.

In the project preparation document (PAD), resettlement was not considered to be an issue. The project was rated environmental category C, thus exempting it from an environmental assessment (EA). A social assessment was, however, recommended within the first six months of project effectiveness in the aim to assess local community participation and benefits from the project. Later the World Bank Quality (QEA) made a strong case for a social analysis and the request for a social assessment was replaced by a social analysis. Based on these procedures, the project was cleared by World Bank's environmental division in the Africa Region. The social analysis has, however, yet to be executed.

The World Bank supervision mission of June 18 to July 03, 2002, identified the need for a resettlement action plan (RAP) to be prepared for the Ras Mengesha House in Axum. Also, mission findings concluded that the master plan of Axum estimated a minimum of 200 households to be resettled from identified sites of archeological significance. But prior to the preparation of the RAP, 7-8 households were relocated from the Ras Mengesha House. Consequently, the World Bank mission recommended that: a) a resettlement audit be executed; b) a resettlement rehabilitation policy framework (RPF) be prepared to retrofit and govern potential resettlement issues that may arise during project implementation in Axum, in Gondar and elsewhere. In addition, the RFP also had to govern the mitigation of adverse social impacts generated by investments of other donors that may join the project as indicated in the project preparation document (PAD). As specified in World Bank Operational Policy OP 4.12, on Involuntary Resettlement, the policy applies to all components of the project that result in involuntary resettlement, regardless of the source of financing.

This document is the result of that process and was therefore not elaborated during project preparation but under project implementation. This implies that this RPF is post project effectiveness. It follows that, it is particularly focused on, which processes and actions, that the project would need to execute to retrofit resettlement rehabilitation issues in project operations. The preparation of the document has among others implied a process that has included: consultations with Federal authorities; consultations with regional and local authorities; consultations with project-affected persons (PAPs) that were already relocated from the Ras Mengesha house in Axum.

In concert with World Bank policy regarding project affected persons (PAPs), the Ethiopian Constitution has a provision stating that people affected by development projects should be compensated and in the case of resettlement, their livelihoods should be restored. This constitutional provision is expected to facilitate the implementation of this resettlement/rehabilitation policy framework (RPF).

1. Background

1.1 Objectives of the Framework

The overall purpose of the policy framework is to clarify the principles of addressing adverse social impacts induced by project operations. The framework is valid for project operations all over the Federal Republic of Ethiopia. This includes bilateral as well as multilateral operations financed by other donors, but emphasis will be on World Bank financed projects.

The operational objective of the framework is to provide guidelines to stakeholders participating in the rehabilitation/resettlement operations in order to ensure that project affected persons (PAPs) will not be impoverished by the adverse social impacts of the projects. The basic principles imply that PAPs should be: compensated for loss of assets at replacement costs; given opportunities to share project benefits; and be assisted in case of relocation or resettlement. Focus is on restoring the income earning capacity of the project-affected persons. The aim is to improve or at least sustain living conditions prior to project operations or resettlement.

1.2 The Ethiopia Cultural Heritage Project

While evidence of Ethiopia's culture and history is found in its ancient monuments, cities, and prehistoric sites, its living cultures are reflected in the work of architects, musicians, writers, artisans and crafts people. Strong traditions have long contributed to Ethiopia's material wealth by producing illuminated parchment manuscripts, leatherwork, metalwork, jewelry, basketry, woodwork, and pottery. Much of this rich heritage is being eroded by rapid development and growth, and ancient craft skills are being lost as markets and values for artisanal crafts change over time.

Until recently, few of Ethiopia's historic sites had been managed with the view that they have much to offer to the national, regional, and local economies. Despite their significant influence on Ethiopian heritage, communities of poverty surround these rich centers of culture. These contradictions have become increasingly clear to the current government, which is seeking ways of strengthening the role of culture in the economic life of the country. At the heart of the federal state is the idea that regional identities are strongly rooted in cultural expression. The main sector issues with regard to cultural heritage conservation and management in Ethiopia relate to the need to:

- more fully integrate a cultural dimension into Ethiopia's economic and social development program and to incorporate this approach into local development efforts;

- build the capacity to prevent the loss of cultural heritage assets through strategic conservation planning, protection and threat mitigation, and the development of better information about the extent and condition of these assets; and to
- coordinate institutional efforts for cultural heritage management amongst multiple stakeholders:

between central, regional and zonal authorities; within communities; between tourism and cultural interests; and with other institutions such as the Supreme Islamic Council and the Orthodox Church.

The institutional mandate for management and protection of the country's cultural heritage assets rests in part with the Authority for Research and Conservation of Cultural Heritage (ARCCH) and in part with regional cultural bureaus. Among other things, ARCCH legally has oversight for management of the country's World Heritage Sites, and finances some site conservation activities through regional cultural bureaus. Regional cultural bureaus, in contrast, operate under the mandate of regional administrations but usually have extensive, though informal, contacts with ARCCH. They vary widely in their capacity and ability to deliver on the cultural heritage conservation agenda. Capacity is constrained, and they remain dependent on technical support from ARCCH. There is growing recognition that ARCCH should increasingly work toward building the capacity of regional cultural bureaus to take on a wider range of tasks responsive to regional and local development priorities.

Legislation which provides for the conservation of assets with major artistic, scientific, cultural, or historical value, was adopted in 1989, and has recently been revised. The revised legislation provides for the establishment of ARCCH. The *Proclamation to Provide for Research and Conservation of Cultural Heritage* (Proclamation 209/2000) was endorsed by the Council of Ministers and has now been adopted by the National Assembly. Despite the strong synergies and interests between tourism and cultural heritage institutions, they have tended to operate in isolation from one another, the former focusing primarily on market and infrastructure development, and the latter focusing primarily on site management.

In response, the project will provide resources to pilot the development of site planning and conservation initiatives in selected priority sites and to build national, regional, and local capacity for site planning and conservation in a way which integrates cultural site management with local development priorities. The creation of a multi-stakeholder steering committee to oversee project implementation, the scope for partnerships with national and international NGOs, and the need to collaborate closely with communities on site management and development initiatives will provide opportunities to test out alternative approaches toward institutional collaboration, and will promote innovative opportunities for institutional learning.

The project is a Learning and Innovation Loan (LIL) that will provide for stronger capacity building elements in cultural heritage management. Test the nature of individual components for which viable technical, financial, and social solutions need to be developed, and, experiment with different partnership arrangements, involving non-governmental organizations, government agencies, communities, and interested artisans.

Project components are three: *Site Planning and Conservation; Inventory and Documentation Development; Artisanal Craft Development.*

Government's general strategy of developing mechanisms for identifying - and then mitigating –potential negative impacts of development activities on cultural sites and assets will be strengthened through the project, by developing core national standards for inventory/documentation, and guidelines for managing endangered sites.

1.3 Adverse Social Impacts

Background

The estimations of the master plan of the city of Axum suggest that, a minimum of 200 households in Old Town Aksum, may be resettled from identified sites of archeological significance, within the next 10-15 years, should the Ethiopian Government find financial resources to validate the findings. In the first project operations in Axum, 10 households were relocated, thus prompting a subsequent review of the adverse social impacts of the project. That experience indicated that similar issues may arise in other locations, proper action should therefore be taken within the context of this resettlement framework.

Impacts

The long-term objective of the Cultural Heritage Project to integrate the conservation and the management of its cultural heritage into local and national economic development. The project supports the development of approaches to the conservation of cultural heritage assets through site planning and conservation of archaeological and historic buildings and sites, and through the development of better information for conservation planning and threat mitigation.

In the short term, these project operations may induce adverse social impacts. Those impacts will be mitigated during project implementation. Project components with operations presumed to induce adverse social impacts are related to resettlement: land acquisition; appropriation of archeological sites; appropriation of cultural and historical buildings; construction of by pass roads; establishment and protection of potential archeological sites and cultural and historical zones, construction of tourist infrastructures.

Their impacts will be monitored. The designs of the operations of project components will be carried out taking into account ways of reducing adverse social impacts. A screening for adverse social impacts before commencement should precede project operations. The screening should focus on basic social profile of potential PAPs identifying issues such as: land tenure, family size, sources of income, potential houses to be relocated etc.

2. Operational Procedures

2.1 Institutional Framework

Stakeholders of the Cultural Heritage Project include a range of actors: government institutions and organizations at both federal, regional and local level, multilateral and bilateral organizations, private enterprises (national and international), non-governmental organizations (NGOs) and PAPs.

The Ministry of Youth, Sport and Culture, the Authority for Research and Conservation of Cultural Heritage (ARCCCH) and the Ethiopian Orthodox Church and have, however, emerged to be the key stakeholders. These three actors will be consulted in the course of the project cycle in order to assure that adverse social and cultural impacts of the subprojects are addressed properly. Also, the three actors will be encouraged to participate in the identification and in the mitigation of the adverse social and cultural impacts that might be identified in the implementation of project operations.

The Project Co-ordination Unit (PCU) is the implementing agency. The implementing agencies of presumed resettlement & rehabilitation operations, will, however, be the *woreda* (local government) in conjunction with the regional administration. The implementation of the mitigation of adverse social impacts, will therefore be executed by the *woredas* and be subject to the PCU operational procedures in conjunction with: the requirements of the Ethiopian Environmental Protection Authority (EEPA); the World Bank policy requirements and the potential requirements of other donors, multilateral as well as bilateral.

2.2 Planning Principles and Process

The PCU site-planning officer together with the *kebele* administration, are in charge of the identification and the mitigation of adverse social impacts. The PCU site-planning officer is accountable for planning and monitoring while the *kebele* administration is accountable for the implementation of the expropriation/compensation operations. Also, the PCU site planning officer and the monitoring and evaluation officer will address analytical issues such as ToRs, Resettlement Action Plans (RAPs), and evaluations. The RAP should, after completion of preparation, be submitted to the World Bank for clearance. The *kebele* administration is accountable for: registration of PAPs, establishment of compensation committees, assessment and establishment of compensation rates and payment of compensation.

The PCU site planning officer and the monitoring and evaluation officer will provide the general direction for the planning of the expropriation/compensation tasks, ensure

coordination in the mitigation of social impacts of project operations, monitor and document the implementation.

2.2.1 Design of Operations Project Component

Before commencement of project operations, social screening of project component will be conducted in the aim to determine whether or not implementation would trigger actions requested in World Bank Operational Policy (4.12). The principles of compensation/rehabilitation will be triggered wherever there will be land acquisition.

The World Bank operational policies OP 4.12 as of December 2001 states on paras. 1–2.

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

2.2.2 Preparation of Operations of Project Component

After the design of a project operation, the project component may become subject to a social screening depending on its activities. Terms of reference (ToR) for the screening will be drafted by The PCU site planning officer and the monitoring and evaluation officer. Issues to be addressed by the screening will include social profile of potential PAPs: demography; land tenure; sources of livelihood, consultations with local government and authorities etc. Land tenure issues will be given particular attention as they are linked to land acquisition and involuntary resettlement. The loss of land often implies that those who live on the land need to be relocated or resettled. The first objective of the screening in regard to involuntary resettlement and rehabilitation, is to estimate the capacity of the receiving area(s) to sustain additional population under the conditions introduced by the resettlement rehabilitation operations.

To reduce adverse social impacts on houses in towns and in villages, the project plans will take into account, the physical development plans established by the towns. Master plans of urban areas will be taken into account as integrated components of the project.

Should the project add components that were not planned for in the PAD, for instance through investments from other donors, and the findings of the social screening reveal that more than 200 persons would be affected by project operations, a detailed resettlement action plan (RAP) should be prepared. The number of PAPs is a useful tool in the planning process.

One of the key activities to be conducted, in the RAP is a household survey, describing the extent of the social impacts, looking at data such as:

- Family size, gender and age information;
- Education;
- Occupation;
- Land ownership, tenure arrangements, inheritance regulations;
- All sources of income;
- Inventory of wealth indicators, like building materials, house size, tools and utensils, furniture, crops, livestock;
- Means of transportation;
- Distance to markets, work, schools, and health facilities;
- Health implications;
- Listing of affected households.

The survey would estimate the extent to which the affected families will experience loss of assets, including control over resources, as well as infrastructure and social services available and disturbed. The survey should further describe local organizations and institutions, traditional village councils, religious groups, etc., that could later participate in planning and implementing the resettlement options. Expected changes in demography and health impacts should also be addressed. At this stage, all PAPs will be listed in order to avoid an influx of people trying to take advantage of the compensation and rehabilitation. A cut off date will be proclaimed. That means, a date from which

eligibility for compensation will be terminated. New inhabitants coming to the project affected areas will not be considered for compensation.

The ToR for the RAP will be drafted by the PCU site planning officer and the monitoring and evaluation officer and focus on the following:

- Technical design alternatives to avoid resettlement;
- Land tenure, household survey; socio-economic baseline study;
- Selection of resettlement area and provision for alternative sites;
- Organizational structures;
- Community participation of both resettles and hosts, including also community institutions or organizations of both groups and NGOs;
- Legal framework;
- Plan and design of development assistance to cover both project affected persons (PAPs) and host community;
- Valuation methodology, title registration, time frame in compensation procedures, appeal mechanisms;
- Impact on marginal groups, old people, women, ethnic minorities and pastoralists;
- Cultural identity and preservation;
- Access to training, employment and credit;
- Housing, including criteria for house plot allocation, infrastructure and social services;
- State of natural resources, land suitability and carrying capacity at resettlement site estimated at least two generations ahead taking into account population and livestock growth, as well as water availability and water quality;
- Immediate as well as foreseen health implications at resettlement site in relation to water-borne diseases, nutrition, environmental hygiene, availability of clinics or other health extension services, hazardous chemicals, toxic wastes, food contamination and the work environment;
- Possibilities and constraints regarding assimilation or integration of resettles into host communities;
- Staff requirements, staff training needs, necessary equipment,
- Cost estimation, budget, synchronized resettlement implementation action plan with the project implementation schedule; and
- Monitoring and evaluation procedures.

The final output of the ToR is a RAP. After preparation, the RAP should be submitted to the World Bank (ASPEN) for clearance and makes it available to the general public. After the World Bank clearance, the project and the World Bank will again disclose the RAP to the general public. For detailed procedures see, Annex 4, O.P. 4.12, involuntary resettlement paragraph 22.

2.2.3 Implementation of Operations of Components Project

At the launching of operations of project component, relevant stakeholders will be consulted to establish planning principles and work arrangements aimed at identifying and mitigating adverse social impacts induced by sub-project operations. Household

survey, valuation of properties and payment of compensation will be effected ahead of the commencement of civil works. Progressively, all PAPs will be consulted in the process, be it in the context of resettlement/compensation, in the context of mitigating adverse impacts on cultural heritage or in the context of mitigating other project related social impacts.

Likewise, prior to launching of project component operations, regional, zonal and local governments will be consulted by the PCU, in line with established procedures. That is, the PCU will present the project component to the regional and the zonal administrations and they will present it to the local governments. In addition, the PCU will consult with the relevant local government officials to present the project component prior to implementation.

Parallel with the project component work program and construction schedules, presumed implementation of resettlement/rehabilitation action plans will be established. Compensation will be paid prior to land acquisition. The project will be requested to prepare a social screening report prior to commencement of operations. Those reports should present all potential resettlement subjects identified.

3. Legal Framework for Expropriation and Compensation

3.1 Expropriation Law

Resettlement and rehabilitation are recognized civic rights in the Ethiopian legislation. Article 44 No.2 of the Constitution of the Federal Democratic Republic of Ethiopia has a clause stating that:

“All persons who have been displaced or whose livelihoods have been adversely affected as a result of state programs have the right to commensurate monetary or alternative means of compensation, including relocation with adequate state assistance.”

In addition, the *Research and Conservation of Cultural Heritage Proclamation 209/2000* article 25, *Expropriation of Cultural Heritage* stipulates that “Any Cultural Heritage:

- 1) *which is not properly protected, repaired and restored; or, which is exposed to decay, contrary to the provisions of this proclamation, regulations and directives to be issued for the implementation of this proclamation; or, which is exposed to damage or decay due to its use contrary to the manner prescribed in Article 22(3); or*
- 2) *whose custody in a museum is deemed necessary, and compensation thereof is decided by the council of Ministers;*
- 3) *which has been detained while being taken out of the country illegally, may be confiscated by the Authority.*

These two texts constitute the national legal basis for the compensation rehabilitation procedures to be followed by the PCU. In addition, by signing the credit agreement for the Cultural Heritage project (credit 3632) with IDA, the Federal Democratic Republic of Ethiopia committed itself to abide the Involuntary Resettlement Policy of the World Bank in the context of the project. Thus, the legal framework of the PCU is composed of the Ethiopian constitution and the World Bank Operational Policy (OP 4.12) on involuntary resettlement.

In case of potential discord regarding the application of the national legal framework and the international one as agreed through the credit agreement with the World Bank, the international framework will supersede the national one. For instance, in cases such as: the treatment of illegal occupants and squatters. By definition illegal occupants and squatters have no rights to compensation in the national legal framework, World Bank directives, however, consider such groups to be eligible for compensation and they will therefore be compensated on equal terms as other groups, in line with World Bank operational policy OP 4.12.

3.2 World Bank Procedures for Resettlement/Rehabilitation (OP. 4.12)

The World Bank operational policies OP 4.12 as of December 2001 states on paragraphs 23 and 25:

23. The purpose of the policy framework is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared during project implementation (see [OP 4.12](#), paras. 26-28). Subproject resettlement plans consistent with the policy framework subsequently are submitted to the Bank for approval after specific planning information becomes available (see [OP 4.12](#), para. 29).

25. When a resettlement policy framework is the only document that needs to be submitted as a condition of the loan, the resettlement plan to be submitted as a condition of subproject financing need not include the policy principles, entitlements, and eligibility criteria, organizational arrangements, arrangements for monitoring and evaluation, the framework for participation, and mechanisms for grievance redress set forth in the resettlement policy framework. The subproject-specific resettlement plan needs to include baseline census and socioeconomic survey information; specific compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of resettlement sites and programs for improvement or restoration of livelihoods and standards of living; implementation schedule for resettlement activities; and detailed cost estimate.

The commitment of the Federal Government of Ethiopia to comply with the requirements of World Bank's operational policy (OP) 4.12 has been demonstrated, among others in the ongoing implementation of the Road Sector Development Program Support Project RSDPSP, executed by the Ethiopian Road Authority (ERA) and in the implementation of other projects, such as the Resettlement at Gilgel Gibe Power Plant undertaken by the Ethiopian Electric and Power Corporation (EEPCO).

3.3 The PCU Strategy for Expropriation and Compensation

It is the objective of the PCU to avoid or reduce to a minimum, the detrimental effects of project operations, on the livelihood of the people to be served by the project. However, if adverse social impacts induced by project operations are inevitable, then PAPs will be identified, be consulted and compensated for loss of their properties.

To achieve the social mitigation goal, the following process will be adopted.

- i. The PCU project coordinator will, together with the kebele head administrator, prepare and request a yearly budget for expected expropriations and compensations costs.

- ii. The budget will be submitted to the woreda administration for funding, depending on the size of the amount requested. Smaller amounts under 500 dollars, can be directly sponsored by the kebeles.
- iii. Expropriation and compensation committees will be established in collaboration between the PCU site planning officer and the with woreda deputy administrator. The role of the committees is to assess the economic value of the properties to be expropriated and establish the rate of compensation to be paid. The committees will be composed of local experts/civil servants from the local government (Bureau or Department of Agriculture, Bureau or Department of Works and Urban Development, Police, etc.), a representative of PAPs and other relevant stakeholders. The presence of representatives of various local government sectors will ensure that proper economic valuation, for instance of a tree is conducted.
- iv. Upon the establishment of the compensation rates, eligible PAPs will be provided the result for approval. They may accept or refute the compensation proposed. In case of disagreement, they may first appeal to the compensation committee and if the parties do not find a solution, the PAP may appeal to the kebele court or later a higher court.
- v. Payment of compensation will be executed by the kebele accountant in collaboration with the PCU accountant and in the presence of selected members of the compensation committee. .

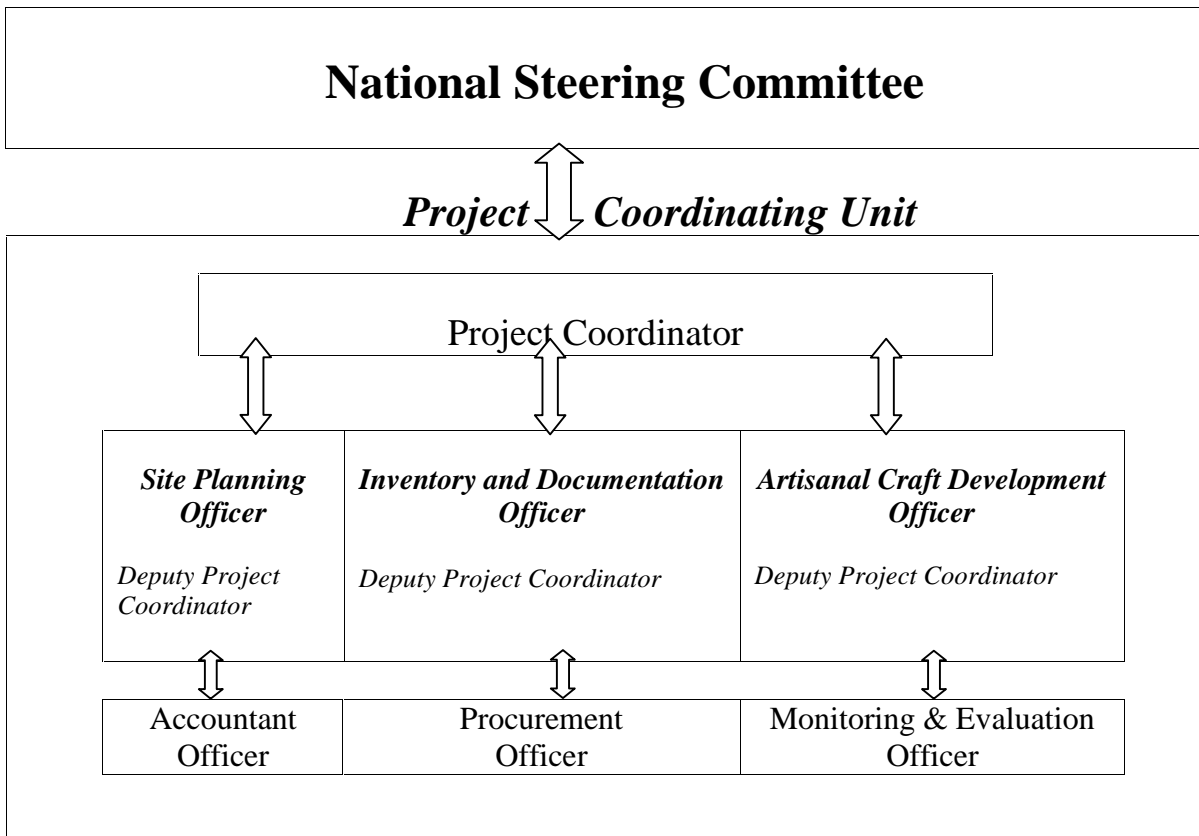
These are procedures to be followed in addressing expropriation and compensation issues in all project operations, present and future.

4. Institutional Framework

4.1 The PCU – Organizational Framework

The PCU is an ad hoc, independent administrative structure governed by a Steering Committee. The PCU is consisted of five permanent staff:

1. Project Coordinator;
2. Site Planning Officer;
3. Inventory and Documentation Officer;
4. Artisanal Crafts Development Officer.



5. Socio-Economic Background of PAPs

5.1 Socio – Cultural and Economic Landscape of PAPs

The Cultural Heritage Project will cover three regions of Ethiopia (Anhara, Oromia and Tigray, but with special focus on four cities, Addis Ababa, Axum, Gondar and Harar. Consequently, it will affect the various social and cultural landscapes of those regions and cities. Social screenings will be conducted in project operations that have been identified to potentially induce adverse social impacts in terms of compensation and relocation of people.

The main group of PAPs is assumed to be constituted of urban dwellers, given that project sites are located in urban areas. The sources of livelihood of people living in the project areas are principally: wage labor, farming, urban animal husbandry, small trade, and provision of café – small shops – bar and restaurant services. Based on the above assumption, the major resettlement issues may include: relocation of tenants; demolition of resident houses and businesses; acquisition urban farmland or housing plots for protection and conservation of cultural assets.

Despite the occurrence of detrimental social effects on PAPs, the Cultural Heritage project might generate more creativity and productivity from local people; improve the well being of the people through cultural ownership; generate new sources of incomes and enhance the living standard of communities in project areas.

5.2 Cultural Affiliation of Project Affected People (PAPs)

Ethiopia is a multicultural country where the various cultures have been forged by a history of cohabitation. Thus there is unity in diversity among the various communities that may be adversely affected by project operations. In general, there are commonly shared urban cultural values among the presumed PAPs, yet variations may occur.

Amharic, Oromiffa, Tigrigna and Guragigna are the main languages spoken in the project areas. Orthodox Christianity and Islam are the predominant religions in the project regions and cities and likewise in the country. In the case of the 10 PAPs household identified in Axum, all spoke Trigrigna. And all were orthodox Christians. They expressed pride in participating in a national cultural heritage project valorizing also their cultural regional assets.

5.3 Land Use

Ethiopia is a country with several agro-ecological zones and various types of topography. Land forms range from lowland plains to mountain peaks. These are the result of geological and geo-morphological processes taking place in and on the surface of the earth since time immemorial.

About 85% of the population of Ethiopia live in rural areas and engaged in Agricultural activities as their mainstay. Land use is therefore dominated by farming activities. The other land use patterns include: pastureland, settlement and wasteland.

All land in Ethiopia belongs to the state. Citizens have, usufruct rights. In lowland areas, land is used for grazing, the population of those areas is often nomadic and their livelihood is based on cattle rearing. In urban areas, land is mainly used for housing, but there is a good share of both urban agriculture and animal husbandry. Yet, given that all land belongs to the state, urban dwellers including private and public companies, only have usufruct rights to the plots on which they have built their houses, real estates or structures.

In the project site areas, Addis Ababa, Axum, Gondar, Harar, urban land use is most prevalent. It implies that most land use issues to be encountered by the project are presumed to refer to housing plots, urban agriculture and will therefore be subject to negotiations of right of access. Land acquisition in terms of long-term use, may there not be an issue. In Axum for instance, access to the Ras Mengesha House and compound, which will host the artisan center, will not be subject to land acquisition.

5.4 Economic Activities

Farming is the major economic activity in rural areas. The central and northern parts of the country are well known for their cereal production and rearing of small herds of cattle. The lowland areas of Afar region and East Shoa zone of Oromia are areas where nomadic peoples are common. In the project cities, trade, industrial production, urban agricultural and animal husbandry. The informal sector, is the main source of livelihood.

In the project site areas, which are dominated by urban economic activities, the informal sector is the main source of livelihood. For instance in Axum, in the case of the 10 PAP households identified, only two heads of households worked in the formal sector (support staff at the local government) the remaining heads of households had their sources of livelihood as employees in the informal sector, but constantly drifting in and out of the formal sector as a back up.

5.5. Housing

Housing conditions in Ethiopia is generally of low standard, especially in the rural areas. Construction materials vary from area to area, depending on climatic conditions, ecology, transport facilities and purchasing power.

In urban areas, particularly in the project cities, most people live in houses with facilities such as water supply, electric light, telephone, toilet and the like. The building materials varies from wood, brick to concrete walls and mud. Tin roofs dominate the roofing material. Grass roofs are found in low-income neighborhoods. In the Tigray region, including the city of Axum, houses are mostly made of stones and with roofs corrugated iron sheet or mud and sometimes even with stones.

Forms of ownership of houses in project areas vary. While houses in rural areas are mainly privately owned by individuals, houses in urban areas can in addition be owned by: individuals; by private and public real-estate companies, and Federal, Regional and local governments, e.g., the kebeles. The kebeles are the primary administrative entities of the Ethiopian administration and the primary providers of low-income houses.

In the case of Axum for instance, all 10 PAP households identified were tenants living in kebele houses; located in Old Axum at the old city center, about 10 minutes walk from the two time honored all Ethiopian national monuments; the 35 m high stelae and the church harboring the Arch of the Covenant. The houses were made of mud and stone-walls, and corrugated iron sheet roofs. The floors were simply earth. Each PAP household was living in one room, furnished with 2-3 adult beds. The rooms had electricity.

6. Social Impacts of the Cultural Heritage Project

6.1 Impacts on Land Use

Out of the three project components, Site Planning and Conservation, Inventory and Documentation Development, Artisanal craft Development, two of the components are presumed to have impacts on land use. Those two are: Site Planning and Conservation, and Artisanal Craft Development. Project sites are located in cities, the presumed project impacts on land use will be mainly confined to housing plots and possibly to some urban farms. Subsequent project supervision following project effectiveness, identified the Axum and the Gondar project sites as potential cases where adverse impact on land use might occur. Project supervision missions will monitor project operation impacts on land and suggest social screening whenever necessary.

6.2 Impacts on Economic Activities

Impact on economic activities is presumed to be rather positive than adverse. The long-term objective of the Culture Heritage project is to enhance the income generating capacity of the Ethiopian culture heritage capital. In the short term and medium term, the project will generate job opportunities, build social capital through training of artisan and foster entrepreneurship, both for individuals, for communities and for the administrations, local, regional as well as well as national. Project supervision missions will monitor the short term and the medium term impacts on the economic activities of project sites.

6.3 Impacts on Housing

Impact on housing is presumed to be limited as land acquisition is presumed to be limited. Project components and sites, which would require land acquisition, have been identified. Subsequent project supervision following project effectiveness identified direct operational impact on housing to take place, for sure, in the city of Axum and potentially in Gondar project site. The social screening to be conducted will include the assessment of positive and adverse impacts on subjects such as: land tenure, family size, sources of income, social networks and so forth. Also, project supervision missions will closely monitor adverse impacts on housing.

6.4 Impacts on Cultural Heritage

The culture heritage of Ethiopia is rich and many-faceted. For many years, after the find of Lucy (Dinkenesh = The Beautiful) archeologists considered Ethiopia to be the cradle of mankind. Ethiopia is the world's first reference for the archaeology of human origins and for human palaeontology. Lucy, one of the oldest humanoids known was found in Ethiopia.

Archaeological sites, marketplaces, historical and religious structures are forgotten — imbedded in cities, hidden in villages, drowned along river basins and buried along major transportation axes where new roads and new cities are built. There is therefore reason to be cautious when building new infrastructures, even in a culture heritage project.

Therefore, the presumed project wide social analysis to be conducted will include the assessment of potential adverse impacts on culture heritage sites. The *Research and Conservation of Cultural Heritage Proclamation 209/2000* guidelines will constitute the basis for the establishment of the TORs for culture heritage screening or assessments. The work will be executed in consultations with various stakeholders, particularly with the Research and Conservation of Cultural Heritage (ARCCH). Likewise, the execution of the screening or the assessments will be conducted in partnership with the ARCCH.

6.5 HIV/AIDS

The problem of infectious diseases in Ethiopia is becoming critical due to the steady emergence of the HIV/AIDS that has been spreading fast during the last two decades (Health Policy, 1998). It is estimated that 9.3% of the Ethiopian population is infected with HIV/AIDS and 250,000 have died of the disease in 1997 alone (UNAIDS, 1998). Investing adequately in combating HIV/AIDS in Ethiopia is now a precondition for any development investments in Africa to succeed, the World Bank (2000) concludes in its Multi-country HIV/AIDS Program for Ethiopia.

People working with the Cultural Heritage project operations in various sites will be transformed, to temporally migrants. As such, they may satisfy their sexual needs “on the road.” Their behavior could therefore contribute to the spread of the HIV/AIDS pandemic. The PCU site planning officer and the monitoring evaluation officer will prepare an HIV/AIDS prevention action plan for the Cultural Heritage project operations.

7. Valuation Procedures

7.1 Organizational Procedures for Delivery of Entitlements

With regard to land and structures, "replacement cost" is defined as follows: For agricultural land, it is the pre-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 land preparation to levels similar to those of the affected land, plus the cost of any registration and transfer taxes; for land in urban areas, it is the pre displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes; for houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes.

In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law 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.

7.2 Method of Valuation

The PCU in collaboration with the kebeles, will employ two methods, which can be used to conduct valuation of properties of PAPs. These are replacement cost and compensation. (see **Annex 3**)

Replacement cost

The replacement-cost approach is based on the premise that the costs of replacing productive assets that have been damaged because of project activities or improper on-site management can be measured. These costs are taken as a minimum estimate of the value of measures that will reduce the damage or improve on-site management practices and thereby prevent damage. The approach involves direct replacement of expropriated assets and covers an amount that is sufficient for asset replacement, net depreciation, moving expenses and other transaction costs. This minimum value is then compared to the cost of the new measures.

In line with the principles of "equivalent reinstatement" if the premises to be reinstated require repair, a deduction to reflect this should be made. The deduction for repairs is

made in accordance with the principle that the reinstated property should as far as possible be equal to the property being reinstated.

7.3 Basis of Valuation

The basis of valuation is Gross Current Replacement Cost (GCRC). Gross Current Replacement Cost is defined as ‘the estimated cost of erecting a building as new having the same gross external area as that existing with the site works and services on a similar piece of land’. The valuation process will also consider the use of “compensation value” for affected properties.

“Compensation value” is defined as ‘ the amount to be paid to the leaseholder which is calculated as an amount which is above the gross current replacement cost, including the costs for the inconvenience caused to the leaseholders by relocation, and to enable the same leaseholders to build slightly better houses than what they currently occupy’.

Compensation Approach

The compensation approach is based on the willingness of owners of a resource to give up their rights to that resource. In general, the issue of compensation will address four questions: what to compensate for (e.g. land, structures, business, fixed improvements or temporary impacts); how to compensate; when to compensate; and how much to compensate.

Compensation for land structures, business, fixed improvements and other temporary impacts are based on among other things market valuation, productivity valuation, negotiated settlements, material and labor valuation, disposition of salvage materials and other fees paid. It should be noted that lack of license or permit will not be a bar to compensation. Because, even squatters have construction costs relative to design, materials employed, workmanship and final finish.

If relocation of business becomes necessary, access to customers and suppliers should be assured. In addition, workers losing employment in the process of relocating should be entitled to transitional income support.

Compensation for temporary impacts should include but not limited to the following:

Compensation equivalent to lost income required for the duration of impact

Compensation equivalent to lost income required for loss of access

Physical restoration of assets (or access) required prior to return

In addition, PAPs will be entitled to transitional assistance which include moving expenses, temporary residence (if necessary), employment training and income support while awaiting employment and should have an option for full compensation if duration of impact is to exceed two years. In preparing the valuation average costs will have to be assumed. It should be noted that costs of construction vary from one locality to the other.

7.4 Compensation Procedures and Civil Works Schedule

Compensation will be paid by the kebele administration at replacement cost. The PCU together with the kebeles will establish expropriation and compensation committees for each affected site. The committees will be constituted of representatives of local governments, representatives of PAPs and the PCU. Together, they will conduct the registration of affected properties and the number of PAPs per households. Likewise, they will establish the compensation rates, taking into account, World Bank requirements. All compensations will be effected ahead of the civil works.

Compensation procedures will include three steps: (a) Establishment of compensation committees, (b) Assessment of replacement values of identified assets; (c) Establishment of compensation rates for all assets to be expropriated. For instance, compensation for trees will take into account the distinction between various type of trees and their economic values; fruit trees versus non -fruit trees etc. Fruit trees will be compensated for the value of lost production until another tree comes to the same stage of productivity.

Compensation Rates for Loss of Crops and Trees

Cash compensation is paid for loss of crops and trees that are found on the land that has been acquired. The compensation rates, are established by the relevant agricultural office of the locality considered. In accordance with the PCU procedures and in consultations with local governments, the kebele will execute the expropriation and the compensation for the loss of crops and trees. The decisions taken will be documented with meeting **protocols** and **receipts** upon payment. The documents should be available at local government offices and at the PCU office. Compensation rates for loss of crops and trees will be based on market values and cover a cash value of the loss estimated until the new crop or tree comes to maturity. The process and the necessary actions to be taken will be concluded after consultations with local governments and the PCU.

Compensation Rates for Loss of Houses

Likewise, compensation procedures for loss of houses are established in consultations between the PCU and local governments. The *woreda* executes the expropriation/compensation procedures in consultation with: the entitled Project Affected Person (PAP) and the local government. A local government committee establishes the compensation rates in consultations with eligible PAPs. The rates are established at market value. As in the case of expropriation/compensation for loss of crops and trees, the decisions taken are documented. Also, each individual PAP has the right to refuse the rate proposed and take his case to the court if he finds the compensation to be under market value.

Grievance Redress

Compensation will only be paid to a PAP after a written consent of the PAP. Should a PAP refuse the compensation suggested by the PCU, litigation is settled by the local governments courts. Each individual PAP has the right to refuse the compensation rate proposed and take his case to the court if he finds the compensation to be under replacement cost. This system has worked for the last two decades in Ethiopia and is well

known by local administrations who often act as advocates for the compensation of their inhabitants.

However, grievances are first preferred to be settled amicably whenever possible. That is, positive discussions are made to convince the affected PAP in the presence of elders, local administration representative or any influential person in the locality. If the PAP is not convinced with what has been proposed, as stated above, he can take the case to the court.

Entitlement Matrix

Category of PAP	Type of Loss	ENTITLEMENTS				
		Compensation for Loss of Structures	Compensation for Loss of Assets	Compensation for Loss of Income	Moving Allowance	Other Assistance
<i>Property Owners</i>	Loss of land	-----	Land replacement at new site, plus land clearing by project	Crops at market cost in scarce season	-----	None
	Loss of structure Residential or business	Compensation at full replacement value not depreciated	Compensation at full replacement value not depreciated	For lost rental income Lump sum cash payment of 6 months rent per tenant	Coverage of full cost for total transport expenses	Disturbance Allowance
<i>Residential Tenant:</i>	Loss of rental Accommodation	No loss of structure, no entitlement to housing at new site	Replacement cost for non-movables if installation was agreed with owner	Six months rent	Coverage of full cost for total transport expenses	Disturbance Allowance
<i>Business Tenant</i>	Loss of premises	No loss of structure, no entitlement to housing at new site	Replacement cost for facilities that cannot be moved	For loss of business income, payment of half of turnover for 6 months	Coverage of full cost for total transport expenses	Social marketing of the new business location
<i>Owners, Tenants or Encroachers (using land)</i>	Loss of land	-----	Relocation to resettlement site of choice, with payment of rental fee for land. For crops, fences and wells, as above for owners	Compensation for crops at market cost in scarce season	Coverage of full cost for total transport expenses	Food from WFP during construction of new site
<i>Squatters (living on site)</i>	Loss of shelter	Compensation at full replacement value for structure, relocation to resettlement site, with payment of site rent	None	Payments in lieu of wages while rebuilding	Coverage of full cost for total transport expenses	Disturbance Allowance

8. Sources of Funding

As stated in the Constitution of Ethiopia, people affected by development projects have the right to be compensated and resettled. This forms the bottom line for the commitment of the Government towards compensation and resettlement/rehabilitation. Whereas the national government is the political source of funding, the operational source of funding of resettlement/compensation operations is the *woreda* administration in agreement with kebele (local) and regional governments.

The scope of potential resettlement/rehabilitation operations assessed and to be induced by the three components of the project (Site Planning and Conservation, Inventory and Documentation Development and Artisanal craft Development), is within the budgetary framework of *woreda* administrations. Should the costs for resettlement/rehabilitation at any project site exceed the budgetary capacity of the *woreda* administrations, additional financial resources will be covered by the regional administration or by the Federal government.

The cost will be calculated on the basis of the estimates made in presumed household surveys, including the quantity and types of properties of the PAPs. Upon establishing the cost estimates, the budget including resettlement/rehabilitation will be submitted to the *kebele*, PAPs and PCU compensation committee for review. Once the budget is approved, potential requests for additional funding will be sent by the *woreda* and the PCU, to the relevant regional governments for funding.

9. Consultation and Participation Processes

Relocating or compensating people implies communication or dialogue with the stakeholders. Potential PAPs will be consulted individually and in groups, depending on the context. The consultation and participation process will include four phases: i) data collection; ii) preparation and planning of operations; iii) implementation of operations; and iv) monitoring and evaluation.

The PCU monitoring and evaluation officer will coordinate all the four operations.

9.1 Data Collection Phase

Actors: PCU

Ministry, Bureau or Department of Agriculture (agriculture data)

Ministry, Bureau or Department of Urban Affairs at the Ministry of Social Infrastructure (housing data)

PAPs (provision of other relevant data)

Municipality and local administration (household data)

The above actors will constitute the main task force in the data-collection phase. This process will include consultations with PAPs, and other relevant stakeholders. The data collected will serve as an instrument for the monitoring of the social mitigation measures to be implemented.

PAPs, including local administration (the Bureau or Department of Agriculture, the Bureau or Department of Works and Urban Development, the Local Police) will be consulted through individual and group meetings to share information about the project. For example, owners of affected properties, will be informed about actions to be taken and the rehabilitation or the resettlement measures anticipated in order to prepare them for the changes. At those meetings, PAPs will be invited to participate in the data-collection phase by providing socio-economic information about their livelihoods. Their contributions will be integrated into the project implementation process, from planning to evaluation.

The data-collection phase will include three major processes:

- i) Preparation of the resettlement/rehabilitation policy framework;
- ii) Execution of a project wide social analysis or a social screening of a particular project component and
- iii) Establishment of the presumed RAP for project operations that would require it. (to be initiated/completed before civil works).

9.2 Planning Phase

Actors: PCU

Municipality and local administration (planning)

PAPs (planning inputs, sounding board and advice-giving)

Planning and coordination of the tasks of the various actors is the key to a successful implementation of the expropriation/compensation arrangements. To achieve that goal, workshops will be organized with the above-mentioned stakeholders and other relevant government agencies, at the commencement of every project operation identified to have adverse social impacts.

The above three stakeholders will be requested to participate in the decision making process and provide inputs in the area of their expertise in order to establish a coherent work plan. Also, PAPs will be consulted in the aim to obtain their positions on issues at stake. The requirements of their work programs/businesses activities will be incorporated into the expropriation/compensation plans.

The workshops will focus on: a) taking stock of the legal framework for compensation; b) settle institutional arrangements and mechanisms for payment of compensation; c) define tasks and responsibilities of each stakeholder and d) establish a work plan.

9.3 Implementation Phase

Actors: PCU

PAPs (endorsement of arrangements)

The execution of the expropriation/compensation operations will be conducted by the PCU together with the Ministry of Finance and Economic Development, and local government agencies. PAPs will be consulted about the compensation arrangements prepared. Cash compensation amount and size of land offered for compensation will be presented to each eligible PAP (husband and wife) for consideration and endorsement before cash payment or land for land compensation can be effected.

9.4 Monitoring and Evaluation Phase

Actors: PCU

Municipality and local administration (monitoring and evaluation)

PAPs and NGO's or private consultants wherever required (evaluation)

The PCU will organize project completion workshops with government agencies, NGOs and representatives of PAPs after completion of the expropriation/compensation operations but prior to the closure of the mitigation measures. The aim of that exercise is to assess progress in the operations executed, suggest corrective measures where needed and solve pending issues.

After completion of all expropriation/compensation operations, PAPs will be consulted in a household survey. The aim of that survey is to assess the impacts of the social mitigation measures implemented. Likewise, the municipality and other local administration with PAPs will be consulted to provide their assessments of the impacts of the social mitigation measures applied.

The findings of the survey and the workshops will be presented in the Project Completion Report, which will be established by the PCU.

10. Monitoring and Evaluation Arrangements

Actors: PCU

Municipality and local administration (monitoring and evaluation)

PAPs and NGO's or private consultants as required (evaluation)

Since resettlements could become by-products of project operations, the principal of the resettlement/rehabilitation operations will be the PCU, in close co-ordination and co-operation with local authorities. However, in the case of large scale resettlement/rehabilitation operations, the PCU may conduct the monitoring through an NGO or with the consultant who might have established the Resettlement Action Plan (RAP). The PCU monitoring and evaluation officer will continuously take stock of all expropriation compensation reports and discuss them on regular basis with various stakeholders.

The frequency of monitoring may vary, depending on the magnitude and complexity of resettlement/rehabilitation. Field visits (supervision missions) by the PCU will be effected at least once a month. The *woreda* local administration will conduct its own monitoring, but when possible, this will be done in conjunction with the PCU.

After completion of resettlement/rehabilitation operations, it is expected that PAPs should be better off than prior to resettlement/rehabilitation. Therefore, resettlement /rehabilitation operations will be monitored as regard to performance and compliance with established policies and objectives.

10.1 Monitoring Principles

For project operations with adverse social impacts, a monitoring and an evaluation plan with appropriate mitigation measures will be established. The scope of the plan will take into account the size of the social impacts to be mitigated. The plans will describe:

- Internal monitoring processes;
- Key monitoring indicators (provide a list of monitoring indicators, which would be used for internal monitoring);
- Institutional (including financial) arrangements;
- Frequency of reporting and content for internal monitoring, process for integrating feedback from internal monitoring into implementation;
- Financial arrangements for external monitoring and evaluation, including process for awarding and maintenance of contracts for the duration of resettlement;
- Methodology for external monitoring;
- Key indicators for external monitoring, focusing on outputs and impacts;
- Frequency of reporting and content for external monitoring and process for integrating feedback from external monitoring into implementation.
- Analysis of the environmental and social performance or record of each sub-project

Internal Monitoring will be conducted by the PCU, following the plan described and the Stiring Committee will make the necessary follow-up to ensure that proper monitoring is being undertaken. Likewise, the local administrations of project sites will conduct accompanying their own monitoring in conjunction with the PCU.

External Monitoring will be conducted through World Bank supervision missions. Classic World Bank supervision mission (twice a year) will, however, not be sufficient to monitor progress in the mitigation of adverse social impacts. Given the limited social scientific capacity of the PCU, the World Bank supervision missions should be coupled with capacity building inputs from an international resettlement expert. This would ensure: progress on the ground; strengthen the analytical capacity and safeguard proper documentation of operations executed and progress made.

Before closure of the mitigation of adverse social impacts, the CPU will recruit a local NGO to conduct an evaluation of the mitigation measures executed. The evaluation report will be used as a planning instrument to correct pending issues and suggest a post-project monitoring period in the aim to ensure that PAPs have not been subject to impoverishment induced by project operations.

ANNEXES

Annex 1: Screening Guidelines

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Screening

Screening determines whether or not a project component requires detailed environmental and social impact analysis and, if so, at what level. Screening involves judging whether or not the expected impacts of a proposal on the social environment are likely to be of **significant**. While it is true that there are different approaches to screening, which could be categorized into, judgmental and predetermined, the approach suggested here is a sequential one involving several levels of consideration in determining the potential significance of impacts from a proposed operation.

Suggested screening tools

1. Provisions made under national policies and legislation.
2. Use of a matrix checklist to identify impacts.
3. Use of a questionnaire checklist to determine significance of impacts.

Provisions made under national policies and legislation

Provisions made under the Ethiopian national policies and legislation could be used to address specific environmental concerns that may be affected by the construction and rehabilitation of cultural sites as provided for under relevant policies and pieces of legislation. Notable policies and pieces of legislation with specific provisions on environmental and social impacts include: The National Environmental Action Plan (NEAP), National Environmental Procedure Manual.

Annex2: Outline of a Resettlement Action Plan (RAP)

☞ Introduction – Project Background

- Brief introduction about the project
- List of project components
- Description of project components causing land acquisition and resettlement. Overall estimates of land acquisition and resettlement.
- **Minimizing resettlement**
- Describe efforts made for minimizing resettlement
- Describe the result of these efforts

☞ Census and Socio-economic Surveys

- Identify all categories of impacts (loss of property and assets; loss of livelihood; impacts on groups and communities)
- Give formats and tables for census surveys
- Provide outlines for socio-economic survey
- Summarize process for consultations on the results of the census surveys
- Describe need and mechanism to conduct updates, if necessary

☞ Resettlement Policy and Legal Framework

- Identify areas of conflict between local laws and World Bank policies, and project-specific mechanisms to address conflicts
- Provide a definition of project affected persons
- Describe entitlement categories for each category of impact
- Describe method of evaluation used for affected structures, land, trees and other assets
- Provide entitlement matrix

☞ Resettlement Sites

- Does the project need community relocation? Have these been approved by the PAPs?
- Give layouts and designs of residential sites

- Have the PAPs agreed to the strategy for housing replacement? Have the selected sites been explicitly approved by the PAPs describe the specific process of showing the sites to the PAPs and obtaining their opinion on them.
- Describe the technical and feasibility studies conducted to determine the suitability of the proposed sites.
- Is the land quality/area adequate for allocation to all of the PAPs eligible for allocation of agricultural land ?
- Give calculations relating to site requirements and availability.
- Describe mechanisms for (i) procuring, (ii) developing and (iii) allotting resettlement sites
- Provide detailed description of the arrangements for site development for agriculture, including funding of development costs.

☞ **Institutional Arrangements**

- Identify and discuss the institutions responsible for delivery of each item/activity in the entitlement policy
- Describe the project resettlement unit – functions and organizational structure of the unit and coordination relationship
- State how coordination issues will be addressed in cases where resettlement is spread over a number of jurisdictions.
- Identify who will coordinate all agencies-with the necessary mandate
- State when the project resettlement unit will be staffed.
- Describe plans for training and development of staff in the resettlement t unit/local agencies.
- Discuss initiatives taken to improve the long term capacity or resettlement institutions

☞ **Income Restoration**

- Briefly spell out the main restoration strategies for each category of impacts, and describe the institutional, financial and technical aspects.
- Describe the process of consultation with project affected persons (PAPs) to finalize strategies for income restoration
- How do these strategies vary with the area/locality of impact?
- Are the compensation entitlements sufficient to restore income streams for each category of impact? What additional economic rehabilitation measures are necessary?
- Does income restoration require change in livelihoods, development of alternative farmlands, etc., or involve some other activities, which require a substantial amount of time for preparation and implementation?
- How does the action plan propose to address impoverishment risks?
- Are choices and options built into the entitlements? If so, what is the mechanism for risk and benefit analysis of each option? What is the process of ensuring that PAPs have knowledge about alternatives and can make informed decisions? Is there a

- mechanism to encourage vulnerable groups among PAPs to choose lower risk options such as support in kind rather than cash?
- What are the main institutional and other risks for the smooth implementation of the resettlement programs?

☞ **Implementation Schedule**

- List and briefly describe the chronological steps in implementation of the resettlement, including identification of agencies responsible for each step of the program.
- Prepare a month-wise implementation schedule of activities to be undertaken as part of the resettlement implementation (Gantt chart)
- Describe the linkages between resettlement implementation and initiation of civil works for each of the project components.

☞ **Costs and Budget**

- Clear statement of financial responsibility and authority.
- Ensure that the cost of resettlement is included in the overall project costs.
- Identify components, if any, to be funded by donors such as the World Bank, JICA, NORAD, DANNIDA, etc.
- Resettlement costs should be a part of annual involvement plans.
- Prepare a cost-wise, item-wise budget estimate for the entire direction of resettlement implementation, including administrative expense, monitoring and evaluation and contingencies.
- List the sources of funds and describe the flow of funds.
- Describe the specific mechanisms to adjust cost estimates by the inflation factor.
- Describe provisions to account for physical and price contingencies.

☞ **Participation and Consultation**

- Describe the process of consultation/participation in resettlement preparation and planning.
- Describe the various stakeholders.
- Describe the plan for disseminating information to project affected persons (PAPs), such as provisions for a booklet to inform PAPs and other stakeholders.
- Describe examples of outcomes of participation and consultation, such as how local beneficiaries' views have influenced the design process, entitlements and support mechanisms, or other issues.
- Have workshops been conducted, or are they planned? Who are the participants, and what are the expected outcomes?

☞ **Grievance Redress**

- Describe the step-by-step process for registering and addressing grievances
- Provide specific details regarding registering complaints, response time, communication modes, etc.
- Describe the mechanism for appeal
- Describe the provisions to approach civil courts in case other provisions fail.

☞ **Monitoring and evaluation**

- Describe the internal monitoring process
- Define key monitoring indicators. Provide a list of monitoring indicators, which would be used for internal monitoring.
- Describe institutional (including financial) arrangements.
- Describe frequency of reporting and content for internal monitoring.
- Describe process for integrating feedback from internal monitoring into implementation.
- Describe financial arrangements for external monitoring and evaluation, including process for awarding and maintenance of contracts for the duration of resettlement.
- Describe methodology for external monitoring.
- Define key indicators for external monitoring, focusing on outputs and impacts.
- Describe frequency of reporting and content for external monitoring.
- Describe process for integrating feedback from external monitoring into implementation.

Annex 3 : Methods of Valuation - World Bank Guidelines

The text below is from the World Bank Resettlement & Rehabilitation Guidebook, found on the web at: <http://essd.worldbank.org/sdv/guidebook/generic/gindex.htm>

Method of Valuation for structures, land, trees and other assets at Replacement cost.

Replacement costs is the method of valuation of assets which helps determine the amount sufficient to 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 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.

- Replacement cost for houses and structures
- Replacement cost for land
- Replacement costs for other assets

Method of Valuation for structures, land, trees and other assets Replacement cost for houses and structures

Replacement cost is the market cost of the materials to build a replacement structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. (the cost of the land upon which the house or structure sits is considered in Replacement cost for land).

Method of Valuation for structures, land, trees and other assets Replacement cost for land

For agriculture land, replacement cost is the pre-project or pre-displacement, whichever is higher, market value of land or equal potential or use located in the vicinity of the affected land, plus the cost of land preparation to levels similar to those of the affected land, plus the cost of any registration and transfer taxes.

For land in urban areas, replacement cost is the pre-displacement market value of land equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes.

- Determining replacement cost in countries with active land markets
- Determining replacement cost in countries with "mixed" land markets and property systems

- Determining replacement cost in countries lacking land markets

Method of Valuation for structures, land, trees and other assets **Replacement cost for land**

- **Determining replacement cost in countries with active land markets:** Determining replacement cost of affected land can be relatively easy where active land markets exist (for example, in most regions of India, Pakistan, Bangladesh, and Thailand). In projects located in these areas, RAPs should include land market surveys. Private and independent real estate agencies, banks, or mortgage firms could be engaged to determine market prices for land, or to evaluate the adequacy of administratively set compensation. If Borrowers refuse to engage private professional agencies, or if legal restrictions preclude payment of fair market prices, solatiums, relocation or subsistence allowances, or other forms of cash assistance can be used to "top up" compensation to replacement cost levels. Alternatively, committees including PAPs or NGO representatives can be formed to participate in establishing land valuation, and helping PAPs to identify and purchase replacement land.

Precedents in Practice

In India, land committees have been established for several projects to identify or purchase replacement land from willing sellers. In the Orissa Water Resources Consolidation Project (Cr.2801) legal compensation was to be supplemented by "rehabilitation assistance grants" sufficient to purchase replacement land or other productive assets. The projects also promised reimbursement for, or exemption from, all transfer fees or taxes.

In Bangladesh, the Jamuna Bridge Multipurpose Project (Cr.2569) replaced provision of administratively set compensation and an automatic 50% solatium with land purchase committees guaranteeing supplemental compensation sufficient to purchase replacement lands from a willing seller identified by the PAP. As long as the replacement land was within maximum allowable cost ceilings, the PAP could choose between more land of lesser quality, or less land of higher quality.

Method of Valuation for structures, land, trees and other assets **Replacement cost for land**

- **Determining replacement cost in countries with "mixed" land markets and property systems:** In some Borrower Countries (notably Indonesia and the Philippines), or in particular regions within Borrower Countries, formal property titling remains incomplete, leaving a complex melange of competing legal and customary claims upon land (see also Customary Claims and Common Property). In Indonesia, for example, untitled land continues to exist even in downtown Jakarta, with titled land valued 10-60% higher. In areas lacking coherent and integrated property systems, resource valuations may differ substantially and some property claims are likely to go unrecognized. Hence, establishing replacement cost requires much greater attention to the type of title and usage rights held by affected persons. And projects acquiring land in such areas should encourage vigorous

information disclosure, negotiation or arbitration procedures, and independent grievance mechanisms.

Precedents in Practice

In the Philippines, resettlement plans for the Leyte-Luzon Geothermal Project (Ln.3746) called for negotiated settlements on land acquisition between PAPs and the National Power Corporation. In the event agreement could not be reached, compensation disputes would be addressed by an Independent Appraisal Committee, consisting of a real estate expert and representatives from the local land bank and the Philippines National Bank.

Also in the Philippines, PAPs in the Transmission Grid Reinforcement Project (Ln.3996) could choose between compensation as evaluated by an independent appraiser or replacement land provided by the project.

In Indonesia, resettlement plans for the pending Second Sulawesi Urban Development Project would give PAPs with insecure tenure (and those now in rental housing) tenurial rights in developed houseplots that cannot be sold for at least 10 years.

Method of Valuation for structures, land, trees and other assets

Replacement cost for land

- **Determining replacement cost in countries lacking land markets:** Though both Vietnam and China are experimenting with mechanisms to increase individual or household tenure, land remains collectively or publicly owned and cannot be alienated. In China, the Bank accepts country practice of compensating the collectivities rather than affected households for expropriated land. (Affected households, in turn, receive replacement land or other forms of rehabilitation assistance from collectives or local authorities.) In Vietnam, by contrast, affected households often are directly compensated for loss of use of land. In the absence of land markets, replacement cost in these countries needs to be linked to the productive value of the affected land.

Precedents in Practice

In China, compensation for expropriated rural land is calculated as a multiplier (usually 3-6) of the average annual value of agricultural production over the preceding three years. Some project plans, gradually increase the multiplier to favor smaller average landholdings in affected villages. An additional resettlement "subsidy" (allowance) for the people who need to be economically rehabilitated is also paid (and also is calculated as a multiplier). Where PAPs are relocated from one local jurisdictional unit to another, compensation and rehabilitation packages can be split among both. In some projects, the original unit of residence is compensated for loss of land while the unit of relocation receives rehabilitation assistance for providing alternative lands, jobs, or commercial opportunities. In the Xiaolangdi Resettlement Project (Cr.2605), however, all compensation and rehabilitation assistance goes to the local unit in the area of relocation; if collectives lose both land

and PAPs they receive no compensation. National law limits combined compensation for land and economic rehabilitation to no more than 20 times the average annual productive value of the acquired land.

In Vietnam, an emerging market permits land use rights to be bought and sold at highly fluctuating prices. Compensation rates payable in cash to project affected households were introduced by national decree (87-CP) in 1994, which sets minimum and maximum prices for various categories of land. The prices established in this decree are set administratively and may not represent replacement cost. Bank experience in Vietnam so far has mainly focused on the land-for-land option for people losing more than 20% of their total holding, and cash compensation for people losing less than 20%. New laws also allow for outright ownership (and alienation) of houseplots up to 200 square meters in size. The Irrigation Rehabilitation Project (Cr.2711) provides 60% of replacement cost for non-owned homesteads (plus full compensation for the house or other structures) to be used for purchase of privately owned homesteads. In all instances, compensation is to be sufficient to purchase a 200-square-meter parcel. The conversion from use rights to outright, alienable ownership is considered as contributing to replacement cost.

Method of Valuation for structures, land, trees and other assets
Replacement cost for structures Calculating replacement costs

- **Schedule of rates obtained from the infrastructure department:** The infrastructure construction departments in all countries have a schedule of rates for preparing estimates for construction projects, which Borrower agencies themselves use to assess costs for construction materials and labor. When applied to calculation of replacement cost, rates current for the period of actual replacement must be used.

Method of Valuation for structures, land, trees and other assets
Replacement cost for structures Calculating replacement costs

- **Rates quoted by contractors for similar structures in other construction projects / programs:** Where rate schedules do not exist or are out of date, recent quotations by contractors for similar types of construction in the vicinity of the project can be used for calculating replacement cost. In projects offering the options of cash compensation or alternative accommodation, the construction cost estimates for alternative accommodation could be used for calculating cash compensation payable.

Method of Valuation for structures, land, trees and other assets
Replacement cost for other assets

- For public infrastructure: in-kind replacement under force account within an agreed time schedule, or full compensation to the agency replacing the service is required.
- For cultural property and community-owned facilities: in-kind replacement or compensation at replacement cost for land and structures (e.g., religious churches, mosques, temples, or shrines; private or community-operated schools; village meeting houses; local libraries).
- For cash crops: Arrangements should be made to allow for harvest or market value should be paid for lost cash crops. In some countries average annual market value of crops for the previous 3 years is deemed appropriate as crop compensation. Compensation for subsistence crops can be in-kind, or can be an amount of cash sufficient to purchase equivalent supplies.
- For trees: Where markets do not provide sufficient information about the value of fruit or timber, compensation for fruit-bearing and non-fruit-bearing trees should be at net present value calculated for the productive life. In the case of immature trees, a less costly alternative may be to directly replace seedlings.

Other assets: Tubewells, graves, fishponds, poultry houses, fences, and other tangible assets should be replaced in kind (or with functional equivalents), relocated, or be compensated at replacement cost.

Annex 4: **Involuntary Resettlement**

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

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1. "Bank" includes IDA; "loans" includes credits, 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 adjustment 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 4.11 Safeguarding Cultural Property in Bank-Assisted Projects](#), and [OD 4.20 Indigenous Peoples](#).
 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.

Note: OP and BP 4.12 together replace OD 4.30, *Involuntary Resettlement*. This 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).

Impacts Covered

3. *This policy covers direct economic and social impacts⁵ that both result from Bank-assisted investment projects⁶, and are caused by*

(a) the involuntary⁷ taking of land⁸ resulting in

(i) relocation or loss of shelter;

(ii) loss 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

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 8.50](#), *Emergency Recovery Assistance*).

7. For 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 *Resettlement Sourcebook* (forthcoming) provides good practice guidance to staff on the policy.

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

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- 11. "Replacement cost" is the method of valuation of assets that helps determine the amount sufficient to 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

- (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

15. See [OD 4.20](#), *Indigenous Peoples*.

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.*

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.

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

(d) 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.

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.

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.*

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.

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.

²³ See [BP 17.50](#), *Disclosure of Operational Information* (forthcoming) for detailed disclosure procedures.

²⁴ An exception to this requirement may be made in highly unusual circumstances (such as emergency recovery 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% of their productive assets are lost.

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.*

26. For purpose of this paragraph, the term "subprojects" includes components and subcomponents.

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.

34. The Bank does not disburse against cash compensation and other resettlement assistance paid in cash, or against the cost of land (including compensation for land acquisition). However, it may finance the cost of land improvement associated with resettlement activities.

Annex A: Involuntary Resettlement Instruments

1. This annex describes the elements of a resettlement plan, an abbreviated resettlement plan, a resettlement policy framework, and a resettlement process framework, as discussed in [OP 4.12](#), paras. 17-31.

Resettlement Plan

2. The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. The plan is based on up-to-date and reliable information about (a) the proposed resettlement and its impacts on the displaced persons and other adversely affected groups, and (b) the legal issues involved in resettlement. The resettlement plan covers the elements below, as relevant. When any element is not relevant to project circumstances, it should be noted in the resettlement plan.

3. *Description of the project.* General description of the project and identification of the project area.

4. *Potential impacts.* Identification of

- (a) *the project component or activities that give rise to resettlement;*
- (b) *the zone of impact of such component or activities;*
- (c) *the alternatives considered to avoid or minimize resettlement; and*

- (d) the mechanisms established to minimize resettlement, to the extent possible, during project implementation.
5. *Objectives.* The main objectives of the resettlement program.
6. *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
- (a) the results of a census survey covering
 - (i) current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
 - (ii) standard characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
 - (iii) the magnitude of the expected loss—total or partial—of assets, and the extent of displacement, physical or economic;
 - (iv) information on vulnerable groups or persons as provided for in [OP 4.12](#), para. 8, for whom special provisions may have to be made; and
 - (v) provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.
 - (b) Other studies describing the following
 - (i) land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;
 - (ii) the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;
 - (iii) public infrastructure and social services that will be affected; and
 - (iv) social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs))

that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

7. *Legal framework.* The findings of an analysis of the legal framework, covering
 - (a) the scope of the power of eminent domain and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;
 - (b) the applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available alternative dispute resolution mechanisms that may be relevant to resettlement under the project;
 - (c) relevant law (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights; customary personal law related to displacement; and environmental laws and social welfare legislation;
 - (d) laws and regulations relating to the agencies responsible for implementing resettlement activities;
 - (e) gaps, if any, between local laws covering eminent domain and resettlement and the Bank's resettlement policy, and the mechanisms to bridge such gaps; and
 - (f) any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land—including claims that derive from customary law and traditional usage (see [OP 4.12](#), para.15 b).
8. *Institutional Framework.* The findings of an analysis of the institutional framework covering
 - (a) **the identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation;**
 - (b) an assessment of the institutional capacity of such agencies and NGOs; and
 - (c) any steps that are proposed to enhance the institutional capacity of agencies and NGOs responsible for resettlement implementation.
9. *Eligibility.* Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.
10. *Valuation of and compensation for losses.* The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of

compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.²⁷

11. *Resettlement measures.* A description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of the policy (see [OP 4.12](#), para. 6). 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.

12. *Site selection, site preparation, and relocation.* Alternative relocation sites considered and explanation of those selected, covering

- (a) *institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;*
- (b) *any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;*
- (c) *procedures for physical relocation under the project, including timetables for site preparation and transfer; and*
- (d) *legal arrangements for regularizing tenure and transferring titles to resettlers.*

13. *Housing, infrastructure, and social services.* Plans to provide (or to finance resettlers' provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services);²⁸ plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.

14. *Environmental protection and management.* A description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement²⁹

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1. With regard to land and structures, "replacement cost" is defined as follows: For agricultural land, it is the pre-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 land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law 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. Such additional assistance is distinct from resettlement measures to be provided under other clauses in [OP 4.12](#), para. 6.
 2. Provision of health care services, particularly for pregnant women, infants, and the elderly, may be important during and after relocation to prevent increases in morbidity and mortality due to malnutrition, the psychological stress of being uprooted, and the increased risk of disease.
 3. Negative impacts that should be anticipated and mitigated include, for rural resettlement, deforestation, overgrazing, soil erosion, sanitation, and pollution; for urban resettlement, projects should address such density-related issues as transportation capacity and access to potable water, sanitation systems, and health facilities.

and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).

15. *Community participation.* Involvement of resettlers and host communities,³⁰ including
 - (a) *a description of the strategy for consultation with and participation of resettlers and hosts in the design and implementation of the resettlement activities;*
 - (b) *a summary of the views expressed and how these views were taken into account in preparing the resettlement plan;*
 - (c) *a review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individuals families or as parts of preexisting communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries),³¹ and*
 - (d) *institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.*
16. *Integration with host populations.* Measures to mitigate the impact of resettlement on any host communities, including
 - (a) *consultations with host communities and local governments;*
 - (b) *arrangements for prompt tendering of any payment due the hosts for land or other assets provided to resettlers;*
 - (c) *arrangements for addressing any conflict that may arise between resettlers and host communities; and*
 - (d) *any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to make them at least comparable to services available to resettlers.*
17. *Grievance procedures.* Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

4. Experience has shown that local NGOs often provide valuable assistance and ensure viable community participation.

5. [OPN 11.03](#), *Management of Cultural Property in Bank-Financed Projects*.

18. *Organizational responsibilities.* The organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

19. *Implementation schedule.* An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

20. *Costs and budget.* Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.

21. *Monitoring and evaluation.* Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

Abbreviated Resettlement Plan

22. An abbreviated plan covers the following minimum elements:³²

- (a) ***a census survey of displaced persons and valuation of assets;***
- (b) description of compensation and other resettlement assistance to be provided;
- (c) consultations with displaced people about acceptable alternatives;
- (d) institutional responsibility for implementation and procedures for grievance redress;
- (e) arrangements for monitoring and implementation; and
- (f) a timetable and budget.

6. In case some of the displaced persons lose more than 10% of their productive assets or require physical relocation, the plan also covers a socioeconomic survey and income restoration measures.

Resettlement Policy Framework

23. The purpose of the policy framework is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared during project implementation (see [OP 4.12](#), paras. 26-28). Subproject resettlement plans consistent with the policy framework subsequently are submitted to the Bank for approval after specific planning information becomes available (see [OP 4.12](#), para. 29).

24. The resettlement policy framework covers the following elements, consistent with the provisions described in [OP 4.12](#), paras. 2 and 4:

- (a) a brief description of the project and components for which land acquisition and resettlement are required, and an explanation of why a resettlement plan as described in paras. 2-21 or an abbreviated plan as described in para. 22 cannot be prepared by project appraisal;
- (b) principles and objectives governing resettlement preparation and implementation;
- (c) a description of the process for preparing and approving resettlement plans;
- (d) estimated population displacement and likely categories of displaced persons, to the extent feasible;
- (e) eligibility criteria for defining various categories of displaced persons;
- (f) a legal framework reviewing the fit between borrower laws and regulations and Bank policy requirements and measures proposed to bridge any gaps between them;
- (g) methods of valuing affected assets;
- (h) organizational procedures for delivery of entitlements, including, for projects involving private sector intermediaries, the responsibilities of the financial intermediary, the government, and the private developer;
- (i) a description of the implementation process, linking resettlement implementation to civil works;
- (j) a description of grievance redress mechanisms;
- (k) a description of the arrangements for funding resettlement, including the preparation and review of cost estimates, the flow of funds, and contingency arrangements;
- (l) a description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring; and
- (m) arrangements for monitoring by the implementing agency and, if required, by independent monitors.

25. When a resettlement policy framework is the only document that needs to be submitted as a condition of the loan, the resettlement plan to be submitted as a condition of subproject financing

need not include the policy principles, entitlements, and eligibility criteria, organizational arrangements, arrangements for monitoring and evaluation, the framework for participation, and mechanisms for grievance redress set forth in the resettlement policy framework. The subproject-specific resettlement plan needs to include baseline census and socioeconomic survey information; specific compensation rates and standards; policy entitlements related to any additional impacts identified through the census or survey; description of resettlement sites and programs for improvement or restoration of livelihoods and standards of living; implementation schedule for resettlement activities; and detailed cost estimate.

Process Framework

26. A process framework is prepared when Bank-supported projects may cause restrictions in access to natural resources in legally designated parks and protected areas. The purpose of the process framework is to establish a process by which members of potentially affected communities participate in design of project components, determination of measures necessary to achieve resettlement policy objectives, and implementation and monitoring of relevant project activities (see [OP 4.12](#), paras. 7 and 31).

27. Specifically, the process framework describes participatory processes by which the following activities will be accomplished

- (a) *Project components will be prepared and implemented.* The document should briefly describe the project and components or activities that may involve new or more stringent restrictions on natural resource use. It should also describe the process by which potentially displaced persons participate in project design.
- (b) *Criteria for eligibility of affected persons will be determined.* The document should establish that potentially affected communities will be involved in identifying any adverse impacts, assessing of the significance of impacts, and establishing of the criteria for eligibility for any mitigating or compensating measures necessary.
- (c) *Measures to assist affected persons in their efforts to improve their livelihoods or restore them, in real terms, to pre-displacement levels, while maintaining the sustainability of the park or protected area will be identified.* The document should describe methods and procedures by which communities will identify and choose potential mitigating or compensating measures to be provided to those adversely affected, and procedures by which adversely affected community members will decide among the options available to them.
- (d) *Potential conflicts or grievances within or between affected communities will be resolved.* The document should describe the process for resolving disputes relating to resource use restrictions that may arise between or among affected communities, and grievances that may arise from members of communities who are dissatisfied with the eligibility criteria, community planning measures, or actual implementation.

Additionally, the process framework should describe arrangements relating to the following

- (e) *Administrative and legal procedures.* The document should review agreements reached regarding the process approach with relevant administrative jurisdictions and

line ministries (including clear delineation for administrative and financial responsibilities under the project).

- (f) *Monitoring arrangements.* The document should review arrangements for participatory monitoring of project activities as they relate to (beneficial and adverse) impacts on persons within the project impact area, and for monitoring the effectiveness of measures taken to improve (or at minimum restore) incomes and living standards.

Annex 5

Organizations/Persons Consulted

1. Authority for Research and Conservation of Cultural Heritage
Tel. 510705, 159113
P.O.Box 13247
Addis Ababa
2. Mr. Theodros Atlabachew (Project Coordinator)
3. Mr. Meseret (Axum Mayor)
4. Mr. Aemma Gebregiorgis (Principle kebele Administrator)
5. Mr. Fisseha Zibelo (Axum Site Project Coordinator likewise Axum head of tourism)
6. Mr. Hiluf Berhe (Axum Site Project Coordinator likewise Ethiopian Culture Heritage Administrator)
7. Mr. Bekele Mekonnen and Abba Levi (Horse cart drivers in Axum).