

**INVOLUNTARY RESETTLEMENT:
CHECKLIST FOR INITIAL POVERTY AND SOCIAL ANALYSIS**

1. ADB policy on involuntary resettlement applies when ADB-financed projects lead to resettlement effects through land acquisition and related measures. The policy requires that:

- (i) Involuntary resettlement is to be avoided wherever feasible.
- (ii) It is to be minimized where displacement is unavoidable.
- (iii) A resettlement plan is necessary so displaced people can receive assistance to restore their incomes and quality of life to at least pre-project level as soon as possible.

2. Where population displacement is unavoidable, a resettlement plan with time-bound actions and budget is required. The ADB's (1998) [Handbook on Resettlement: A Guide to Good Practice](#) specifies the content for full and short resettlement plans.

3. Addressing resettlement “upstream”, early in the planning process, at the initial poverty and social analysis (IPSA), can bring significant benefits in managing risk, through allocating resources early and effectively. This allows scope to select components, technology and design, reduce costs, avoid or minimize resettlement effects, and foster local ownership. Working upstream allows evaluation of risks, alternatives and tradeoffs, and opens the way for new development opportunities with early stakeholder involvement. Resettlement planning data are collected in parallel with the development of detailed infrastructure feasibility studies and, where appropriate, design documents. During the IPSA, the selection of the sites or alignments may be sufficiently advanced to allow identification of the broad scope of impact of land acquisition. In this case, IPSA provides the opportunity for project teams to assess expected resettlement impacts, in broad terms, as a basis to prepare the detailed terms of reference for resettlement planning during the subsequent project preparatory technical assistance (PPTA) phase. Alternatively, where sites and alignments are still unknown at PPTA fact-finding, IPSA presents an opportunity to review measures to modify the choice of components to avoid or minimize resettlement effects and to identify the steps necessary to define any such remaining effects, which will be addressed during the PPTA phase.

4. Where land is to be acquired, or right-of-way changes result in displacement, the IPSA may focus on

- (i) criteria, schedule, and process for site and alignment identification;
- (ii) options to avoid or minimize potential resettlement effects through changes in the choice of components, technical design, or siting;
- (iii) the capacity of responsible institutions to plan, manage, finance, and monitor effective land acquisition, compensation, and rehabilitation measures;
- (iv) the adequacy of the resettlement policy and legal frameworks to ensure replacement, or improvement, of incomes and living standards; and
- (v) an initial flagging of potential risks of impoverishment. Particular attention is required to improve the status of the poor and vulnerable who may be affected. Infrastructure projects are essential for development, for growth and for poverty reduction. Yet these projects are often the ones that are resettlement-intensive. Displacement disproportionately affects the poor—and brings risks of impoverishment for the near poor.

5. The tables below have been prepared to assist in collecting this information, and their results will form part of the IPSA report. This information will be collected in consultation and coordination with the executing agency, local authorities, international or local NGOs, representatives of people likely to be affected, and, where possible, the people affected. ADB defines affected persons as those “who stand to lose all or part of their physical and nonphysical assets, including homes, communities, productive lands, forest, grazing and fishing areas, important cultural sites, commercial properties, tenancy, income-earning opportunities, and social and cultural networks and activities because of the Project.”

Table 6.1.1. Types of Impacts (Social and Economic Risks)

Social Impact	Not Known	Yes	No	Provide details if possible (expected no. of households, area of land, types of structures likely to be affected)
Is land acquisition necessary?				
Is the site for land acquisition known?				
Are squatters present in project locations?				
Will loss of structures result in displacement?				
Will there be impact on crops, trees, and other fixed assets?				
Will there be loss of incomes and livelihoods?				
Will people lose access to facilities, services, or resources?				
Will any social or economic activities be affected?				

Table 6.1.2. Affected Persons

<p>Any estimate of the likely number of those affected by the Project? No () Yes () If yes, approximately how many? _____</p> <p>Are any of these people poor or vulnerable to poverty risks? No () Yes () If yes, how? _____</p>

Table 6.1.3. Institutional Constraints

Type	Not Known	Yes	No	Remarks
Are local laws and regulations compatible with ADB policy?				
Will coordination between several government entities be required?				
Are there sufficient skilled staff available in the executing agency for planning and implementation?				
Are training and capacity-building interventions required prior to resettlement plan implementation?				

Table 6.1.4. Summary of Actions Required During the Design Phase

Action Required	Not Known	Yes	No
Is a full resettlement plan required?			
Is a short resettlement plan required?			
Is a resettlement framework required?			
Is further work necessary during design to answer these questions?			

RISK ASSESSMENT AND RISK REDUCTION IN RESETTLEMENT

1. The impoverishment risks and reconstruction model (IRRM) is an operational tool for preparing and monitoring projects involving resettlement. Focusing from the outset on poverty issues at the heart of involuntary resettlement, it does not add new tasks on top of existing ones but saves effort and increases effectiveness by (i) moving risk discovery upstream in project preparation and (ii) guiding early risk elimination or risk reduction actions.

2. IRRM has been widely discussed in the development literature and is being increasingly applied in practice.¹ Focus on impoverishment risks is explicitly recommended in ADB's [Handbook on Resettlement: A Guide to Good Practice](#) (ADB 1998: 61). The present *operationalized* description of IRRM's content explains in detail how to use it and clarifies its place among other analytical and planning techniques. The key premise of this tool's effectiveness is its focus on "prevention first." It identifies socioeconomic risks *before* they become a reality and helps safeguard risk-exposed people through risk-targeted counteractions.

A. Risks and Counteractions

1. Decapitalization of Resettlers

3. Increases in population density, land scarcity, and growing socioeconomic needs make resettlement a continuous, albeit undesirable, companion of development. Forced resettlement carries severe risks of impoverishing the uprooted, many of whom were very poor even before displacement. Social research and project outcomes demonstrate that resettlement operations tend to cause the decapitalization of people affected, who lose capital in all its forms—natural, financial, human, and social. The main socioeconomic concerns in resettlement operations revolve around reducing the impoverishment risks and restoring livelihoods of those affected.

2. The Need to Improve Resettlement Plans through Risk Assessment

4. Land acquisition needs, losses, relocation requirements, and duration of relocations (temporary versus permanent) are not uniform for various project-affected populations. Analytical and planning tools thus need to be sufficiently sharp and flexible to lead to differentiated responses to risk. The regular use of risk assessment upstream in the project cycle, starting at the initial poverty and social analysis (IPSA), is therefore indispensable. It should result in (i) better tailoring the content of resettlement plans, and (ii) the direct engagement and commitment of borrowing agencies to the formulation of *specific* risk reduction measures before a fact-finding mission takes place.

3. Methods for Analyzing Impoverishment Risks during Project Preparation

5. As a framework for risk assessment, the IRRM model has a dual emphasis: (i) on risks to be prevented or mitigated and (ii) on reconstruction measures to be implemented. For feasibility and project preparation studies, the IRRM framework performs two basic functions:

- (i) *diagnostic and predictive*, to anticipate risks in resettlement and assess their nature and expected intensity; and
- (ii) *problem resolution and planning*, to guide the incorporation of measures commensurate with each identified risk, to prevent or mitigate it.

6. The IRRM framework synthesizes knowledge gained from past processes, saving considerable time and effort in feasibility risk analysis by offering *ex-ante* a well-tested starting point. The matrix of eight basic risks is predictable in most resettlement situations. Applying it to the circumstances of each project has several cognitive advantages:

¹ See, for example, Cernea (1997) and Mahapatra (1999). In particular, see Cernea and McDowell (2000).

- (i) It ensures that no simple major risk to those affected is overlooked in feasibility analysis, only to cause surprises to surface later during implementation.
- (ii) It organizes data collection and the thinking-through design process along pre-identified variables.
- (iii) It allows the analyst to distinguish the differential intensities of each risk (high to low in the project context) rather than treating all risks uniformly.

7. Advance consideration of risks facilitates the mobilization of proportionate resources for the highest risk or for risks affecting large numbers of people, while allocating less to risks with lower incidence or intensity in each context. In practice, this differential approach may vastly increase project effectiveness and rationalize resource allocation. Such upstream risk analysis may also conclude that some risks are not relevant for some projects, or can identify some locally specific risks that are not part of the basic matrix but need to be addressed.

3. Impoverishment Risks

8. The IRRM as an analytical tool embodies the central idea of ADB's (1999) definition of poverty: "Poverty is a deprivation of essential assets and opportunities to which every human is entitled." In this sense, IRRM encompasses impoverishment measurements not only in terms of income but also more broadly. The eight most common impoverishment risks captured in the IRRM model are (i) landlessness, (ii) joblessness, (iii) homelessness, (iv) marginalization, (v) increased morbidity and mortality, (vi) food insecurity, (vii) loss of access to common property, and (viii) social (community) disarticulation.

- (i) **Landlessness.** Expropriation of land removes the main foundation on which many people build productive systems, commercial activities, and livelihoods. Often land is lost forever, sometimes partially replaced, seldom fully replaced or fully compensated. This is the main form of decapitalization and pauperization, because both natural and financial capital are lost.
- (ii) **Joblessness.** Loss of wage employment occurs both in rural and urban displacement, for landless agricultural laborers, service workers, or artisans. Unemployment or underemployment among those affected may linger long after physical relocation of housing. Creating new jobs for them is difficult and requires substantial investment, new creative approaches, and relying on sharing project benefits.
- (iii) **Homelessness.** Loss of housing and shelter may be only temporary for many people, but for some it remains a chronic condition and is felt as loss of identity, and cultural impoverishment. Loss of dwelling may have consequences for family cohesion and mutual-help patterns if neighboring households of the same kinship group are scattered. Group relocation of related people and neighbors is therefore preferable over dispersed relocation.
- (iv) **Marginalization.** Marginalization occurs when relocated families lose economic power and slide down toward lower socioeconomic positions: for example, when middle-income farm-households become small landholders, and small shopkeepers and craftspeople lose their businesses and fall below the poverty threshold.
- (v) **Increased morbidity and mortality.** Vulnerability of the poorest people to illness is increased by forced relocation, which brings with it increased stress, psychological trauma, and parasitic and vector-borne diseases. Serious decreases in health levels result from unsafe water supply and sewage systems that spread epidemic infections, diarrhea, dysentery, etc.

- (vi) **Food insecurity.** Forced uprooting diminishes self-sufficiency, dismantles local food supply, and increases the risk of chronic food insecurity, which is defined as a calorie-protein intake level below the minimum necessary for normal growth and work.
- (vii) **Loss of access to common property.** Poor farmers, particularly those without assets, suffer a loss of access to the common property goods such as forests, waterbodies, grazing lands, etc. This represents a form of income loss and livelihood deterioration that is typically overlooked by planners and therefore uncompensated.
- (viii) **Social disarticulation.** The dismantling of community structures and social organization, the dispersion of informal and formal networks, local associations, etc., results in a massive loss of social capital. Such disarticulation undermines livelihoods in ways usually not recognized or measured by planners, and causes disempowerment and impoverishment.

9. The risks discussed above differentially affect different categories of people—rural and urban, tribal and nontribal groups, children and the elderly. Research findings show that women suffer the impacts of displacement more severely than men do. For each of these basic risks the second part of the IRRM framework turns the risks matrix on its head and derives counter-risk strategies through targeted project provisions.

10. The extent and intensity of each risk in a project area must be assessed at the starting stage of project preparation, however preliminary the assessment is. The first responsibility for carrying it out rests with the borrowing agency and its consultants. Then the IRRM provides the organizing scaffolding for such assessment. As preparation advances, the initial assessments are refined, verified, and made more complete. At the time of the IPSA, a preliminary image of the expected resettlement component should emerge, together with the initial assessment of institutional capacity and financing arrangement. Most important is to start developing the risk reduction responses and the positive project provisions for reconstructing resettlers' livelihoods.

B. Risk Reversal and Reconstruction

11. Before displacement actually begins, the social and economic risks of impoverishment are only impending risks. Without preventative counteractions, these hazards convert into actual impoverishment processes. The internal logic of the IRRM as an analytical and planning tool prescribes that overcoming impoverishment requires attacking the risks early on. Similar to how its risk analysis deconstructs the multifaceted displacement processes into distinct risks, the IRRM also deconstructs risk reversal and reconstruction into a set of activities. Impoverishment risks may be prevented by positive, constructive, pro-poor support activities that lead from (i) landlessness to land-based resettlement, (ii) joblessness to reemployment, (iii) homelessness to house reconstruction, (iv) marginalization to social inclusion, (v) increased morbidity to improved health care, (vi) food insecurity to adequate nutrition, (vii) loss of access to restoration of community assets and services, and (viii) social disarticulation to rebuilding networks and communities.

12. These strategic orientations for reconstruction indicate that the IRRM is not just a predictor of inescapable pauperization; on the contrary, it maps the way for restoring the livelihoods of the displaced. As in other models, the components of the IRRM can be acted upon and influenced through planning in order to diminish the impact of one or several risks, as conditions permit. Understanding the linkages among the co-related risks of resettlement enables project designers to capture synergies and adopt measures that address more than one risk at a time.

1. Risk Reduction through Policy Measures

13. Beyond measures at the project level, however, there are also policies to reduce resettlement risks. For instance, economic policies that keep the cost of energy too low tend to encourage overconsumption and tolerate waste, thus leading to the construction of more dams or thermal plants,

which produces displacement risks. This suggests that the risks of resettlement can also be diminished through better demand-management policies. Ultimately, the interlocked risks inherent in displacement can be controlled when borrowers adopt broad national policies for risk reversals and safety nets. Single means—for instance, just cash compensation—cannot respond to all risks. Asset compensation alone is not a substitute for the absence of multidimensional risk reduction strategies.

2. Specific Steps in Risk Reduction

14. The use of IRRM starts with a site-specific assessment of how the general risks would vary in the given local context. The specific configurations of displacement risks can be determined for each important population group. The necessary information for this results from the population and asset census for the areas to be condemned or partially affected. Differences in risk incidence among different segments of the population will stand out immediately.

15. Maximum safeguarding is achieved when involuntary displacement is avoided altogether. This is the first and foremost response to risks that should be considered. Recognizing risks up front and their financial implications is often a powerful stimulus to search for an alternative that will eliminate the need for displacement completely or cut down its size. This is technically possible by changing the site of a projected dam, for instance, or by rerouting a highway around (rather than through) a dense human resettlement. Many other technical options can be found through creative search.

C. Risk Reduction Measures

16. The experiences of successful resettlement processes offer an inventory of risk reduction measures that can be activated for each of the common risks in resettlement. Several examples follow.

1. Land-based Resettlement to Prevent Landlessness

- (i) Create land reserves by pooling lands available in land markets, which is best achieved when land pooling starts before displacement begins.
- (ii) Bring new lands into cultivation (e.g., terracing steep hilly lands).
- (iii) Increase intensity through irrigation, for example, or by planting new species or engaging in new cultivation practices.
- (iv) Introduce land ceilings and reallocation in newly irrigated areas.

2. House Reconstruction to Prevent Homelessness

- (i) Allocate homestead plots in newly created village sites or urban residential areas, rather than just compensate the displaced for their lost houses and cash.
- (ii) Facilitate resettlers' access to housing and construction materials.
- (iii) Avoid intermediary "colonies" for resettlers.
- (iv) Package compensation for lost dwellings with housing grants and long-term credit facilities for home improvement.

3. Reemployment to Mitigate Joblessness

17. The loss of jobs is one of the highest risks, and is hard to prevent and mitigate given the high investment cost of creating new jobs. Setting employment promotion provisions as part of the resettlement plan can increase employment options:

- (i) Exploit employment openings created by the new project. Contractual agreements can be reached with project employers to recruit a proportion of their labor force locally from among project-affected families.
- (ii) In cash-scarce areas, help recapitalize the dispossessed through employment in private sector service activities that tend to grow rapidly in surrounding "boom-towns."

- (iii) Stimulate self-employment by providing incentives to people affected to rebuild their houses with some space for food stalls, rental rooms, small workshops, etc.
- (iv) Offer structured training in new skills to those affected, combined with on-the-job training and preferential post-training hire within the project.

4. Rebuilding Communities and Social Networks

18. Options to protect social networks and reduce risk for people affected of losing social capital are multiple and can be activated through sensitive social planning, starting from the initial stages of project preparation:

- (i) Provide information to people potentially affected early on about resettlement alternatives, possible sites, and timetables, etc., and, with their participation, find the best options available.
- (ii) Encourage self-organization among those affected to effect the physical relocation with mutual help and reduced disruptions.
- (iii) Plan for group-based relocation as much as possible, to allow the re-creation at the arrival sites of group structures similar to those in the departure areas. Such groups can be kin units, extended families, neighborhoods, ethnic groups, etc.
- (iv) Provide incentives for group activities in rebuilding community services and individual dwellings at the arrival site.
- (v) Diminish the powerlessness of those affected. Empower associations among them primarily for taking over self-administration responsibilities at the new sites.

19. Comparable activities to address specific risks can be included in the resettlement plan for the other elements in the IRRM. They do not make up an exhaustive list but rather illustrate that the challenge of preventing or reducing impoverishment risks is to develop a vast spectrum of local solutions that make best use of opportunities in a given project area.

5. Resources for Risk Reduction

20. The IRRM tool enables project designers and implementers to count not only on the project's financial inputs as outlays for preventing impoverishment risks from taking hold, but also facilitates planning for using project outputs as a resource for restoring living standards among those affected. The implementation of reconstruction strategies continues after the project's completion, and project design should ensure that resettlers *share in the benefits of the project* for which they were displaced. Among the best-practice solutions for enabling people affected to *share* in the project's benefits are the following:

- (i) Promote aquaculture or duck raising in projects that create reservoirs and ensure that those affected around the reservoir will be the first to benefit from them.
- (ii) Promote additional income-generating activities related to productive resources created by the projects, enabling people affected to share their benefits.
- (iii) Support, through policy decisions, the allocation of a small percentage of benefits (even less than 0.01 percent) resulting from the new projects for the continuous sustainable development of the people-affected in the new settlement areas.

21. The potential to rechannel project benefits to people affected remains unused in many projects. This is both inequitable and unjustified. Often, such potential is overlooked because of trivial, not structural, reasons that can be addressed in project design:

- (i) lack of commitment and concern of project decision makers;
- (ii) poor methodologies of economic and financial analysis at the project-planning level;
- (iii) poorly designed resettlement components; and
- (iv) a lack of creativity and inventiveness in using resources available to the project.

22. However, such apparently trivial reasons sometimes also have deeper roots: the absence of national policies and of legally compelling regulations that would make it mandatory deliberately to make the project's stream of benefits accessible to the displaced. National policies for making benefit sharing a standard would reach farther and deeper than only discrete, project-specific initiatives to promote such approaches. Such aspects of risk reduction need to be addressed beyond projects, through policy dialogues, and through setting country and sectoral strategies.

6. Including Risk Reduction in Resettlement Plans

23. The structure of a project's resettlement plan becomes comprehensive and systematic by incorporating the set of strategic reconstruction components listed above. Of course, the plan needs to contain other elements as well such as (i) institutional arrangements for organizing the resettlement process, (ii) the timetable for implementing it, (iii) cost calculations, (iv) financial allocations, (v) monitoring provisions, etc.

7. Monitoring Risk Reduction

24. Risk reduction during resettlement implementation must be monitored continuously. Monitoring work can be structured along the same key variables that were considered by using IRRM for project preparation and design work. Monitoring units in projects with resettlement can simplify their work by disaggregating their ongoing evaluation and impact studies along distinct risks, and by providing project managers and supervision teams updated findings on how one or another dimension of reconstruction postdisplacement is evolving. Such monitoring would produce focused findings, immediately helpful for targeting better implementation and reconstruction efforts.