

BP 4.12 - Involuntary Resettlement

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

BP 4.12
December, 2001

Note: [OP/BP 4.12, Involuntary Resettlement](#), were revised on April 2013 to take into account the recommendations in “*Investment Lending Reform: Modernizing and Consolidating Operational Policies and Procedures*” (R2012-0204 [IDA/R2012-0248]), which were approved by the Executive Directors on October 25, 2012. As a result of these recommendations: (a) [OP/BP 10.00, Investment Project Financing](#), have been revised, among other things, to incorporate [OP/BP 13.05, Supervision](#) and [OP/BP 13.55, Implementation Completion Reporting](#), (which have consequently been retired); and (b) [OP/BP 8.60, Development Policy Lending](#), and [OP 9.00, Program-for-Results Financing](#), have also been revised. This OP/BP has consequently been updated to reflect these changes, to clarify the extent of applicability of this OP/BP to Development Policy Lending and Program-for Results-Financing, and to reflect the updated title of the Bank’s policy on access to information.

Questions on this OP/BP may be addressed to the Safeguard Policies Helpdesk in OPCS (safeguards@worldbank.org).

Revised April 2013

1. The planning of resettlement activities is an integral part of preparation for Bank-assisted¹ projects that cause involuntary resettlement.² During project identification, the task team (TT) identifies any potential involuntary resettlement under the project. Throughout project processing, the TT consults and seeks the advice of the regional social development unit,³ Legal Vice Presidency (LEG) and, as necessary, the Resettlement Committee (see para. 7 of this BP).
2. When a proposed project is likely to involve involuntary resettlement, the TT informs the borrower of the provisions of [OP/BP 4.12](#). The TT and borrower staff
 - a. assess the nature and magnitude of the likely displacement;
 - b. explore all viable alternative project designs to avoid, where feasible, or minimize displacement;⁴
 - c. assess the legal framework covering resettlement and the policies of the government and implementing agencies (identifying any inconsistencies between such policies and the Bank’s policy);
 - d. review past borrower and likely implementing agencies’ experience with similar operations;
 - e. discuss with the agencies responsible for resettlement the policies and institutional, legal, and consultative arrangements for resettlement, including measures to address any inconsistencies between government or implementing agency policies and Bank policy; and
 - f. discuss any technical assistance to be provided to the borrower (see [OP 4.12, para. 32](#)).
3. Based on the review of relevant resettlement issues, the TT agrees with the Regional social development unit and LEG on the type of resettlement instrument (resettlement plan, abbreviated resettlement plan, resettlement policy framework, or process framework) and the scope and the level of detail required. The TT conveys these decisions to the borrower and also discusses with the borrower the actions necessary to prepare the resettlement instrument,⁵ agrees on the timing for preparing the resettlement instrument, and monitors progress.
4. The TT summarizes in the Project Concept Note (PCN) and the Project Information Document (PID) available information on the nature and magnitude of displacement and the resettlement instrument to be used, and the TT periodically updates the PID as project planning proceeds.
5. For projects with impacts under [para. 3 \(a\) of OP 4.12](#) the TT assesses the following during project preparation:

- a. the extent to which project design alternatives and options to minimize and mitigate involuntary resettlement have been considered;
 - b. progress in preparing the resettlement plan or resettlement policy framework and its adequacy with respect to [OP 4.12](#), including the involvement of affected groups and the extent to which the views of such groups are being considered;
 - c. proposed criteria for eligibility of displaced persons for compensation and other resettlement assistance;
 - d. the feasibility of the proposed resettlement measures, including provisions for sites if needed; funding for all resettlement activities, including provision of counterpart funding on an annual basis; the legal framework; and implementation and monitoring arrangements; and
 - e. if sufficient land is not available in projects involving displaced persons whose livelihoods are land-based and for whom a land-based resettlement strategy is the preferred option, the evidence of lack of adequate land ([OP 4.12, para. 11](#)).
6. For projects with impacts under [para. 3 \(b\) of OP 4.12](#), the TT assesses the following during project preparation:
- a. the extent to which project design alternatives and options to minimize and mitigate involuntary resettlement have been considered; and
 - b. progress in preparing the process framework and its adequacy in respect to [OP 4.12](#), including the adequacy of the proposed participatory approach; criteria for eligibility of displaced persons; funding for resettlement; the legal framework; and implementation and monitoring arrangements.

7. The TT may request a meeting with the Resettlement Committee to obtain endorsement of, or guidance on, (a) the manner in which it proposes to address resettlement issues in a project, or (b) clarifications on the application and scope of this policy. The Committee, chaired by the vice president responsible for resettlement, includes the Director, Social Development Department, a representative from LEG, and two representatives from Operations, one of whom is from the sector of the project being discussed. The Committee is guided by the policy and, among other sources, the *Involuntary Resettlement Sourcebook*, which reflects good practice.

Appraisal

8. The borrower submits to the Bank a resettlement plan, a resettlement policy framework, or a process framework that conform with the requirements of [OP 4.12](#), as a condition of appraisal for projects involving involuntary resettlement (see [OP 4.12, paras. 17-31](#)). Appraisal may be authorized before the plan is completed in highly unusual circumstances (such as emergency operations) with the approval of the Managing Director in consultation with the Resettlement Committee. In such cases, the TT agrees with the borrower on a timetable for preparing and furnishing to the Bank the relevant resettlement instrument that conforms with the requirements of [OP 4.12](#).

9. Once the borrower officially transmits the draft resettlement instrument to the Bank, Bank staff--including the Regional resettlement specialists--review it, determine whether it provides an adequate basis for project appraisal, and advise the Regional sector management accordingly. The lawyer reviews the legal aspects of the draft resettlement instrument and other specific items brought to the lawyer's attention by the TT, and provides advice to help the TT and Regional resettlement specialists determine whether those aspects provide an adequate basis for appraisal. Once approval for appraisal has been granted by the Country Director, the TT sends the draft resettlement instrument to the Bank's InfoShop.⁶ The TT also prepares and sends the English language executive summary of the draft resettlement instrument to the Corporate Secretariat, under cover of a transmittal memorandum confirming that the executive summary and the draft resettlement instrument are subject to change during appraisal.

10. During project appraisal, the TT assesses (a) the borrower's commitment to and capacity for implementing the resettlement instrument; (b) the feasibility of the proposed measures for improvement or restoration of livelihoods and standards of living; (c) availability of adequate counterpart funds for resettlement activities; (d) significant risks, including risk of impoverishment, from inadequate implementation of the resettlement instrument; (e) consistency of the proposed resettlement instrument with the Project Implementation Plan; and (f) the adequacy of arrangements for internal, and if considered appropriate by the TT, independent monitoring and evaluation of the implementation of the resettlement instrument.⁷ The TT obtains the concurrence of the Regional social development unit to any

changes to the draft resettlement instrument during project appraisal. For changes made to the legal aspects of the draft resettlement instrument and specific items brought to LEG's attention, the lawyer will review and provide advice to the TT and Regional resettlement specialists. Appraisal is complete only when the borrower officially transmits to the Bank the final draft resettlement instrument conforming to Bank policy ([OP 4.12](#)).

11. In the Project Appraisal Document (PAD), the TT describes the resettlement issues, proposed resettlement instrument and measures, and the borrower's commitment to and institutional and financial capacity for implementing the resettlement instrument. The TT also discusses in the PAD the feasibility of the proposed resettlement measures and the risks associated with resettlement implementation. In the annex to the PAD, the TT summarizes the resettlement provisions, covering, inter alia, basic information on affected populations, resettlement measures, institutional arrangements, timetable, budget, including adequate and timely provision of counterpart funds, and performance monitoring indicators. The PAD annex shows the overall cost of resettlement as a distinct part of project costs.

12. The project description in the Loan Agreement describes the resettlement component or subcomponent. The legal agreements provide for the borrower's obligation to carry out the relevant resettlement instrument and keep the Bank informed of project implementation progress.⁸ At negotiations, the borrower and the Bank agree on the resettlement plan or resettlement policy framework or process framework. Before presenting the project to the Board, the TT confirms that the responsible authority of the borrower and any implementation agency have provided final approval of the relevant resettlement instrument.

Compensation

13. Where the borrower has offered to pay compensation to an affected person in accordance with an approved resettlement plan, but the offer has been rejected, the taking of land and related assets may only proceed if the borrower has deposited funds equal to the amount offered as compensation plus 10 percent in a secure form of escrow or other interest-bearing deposit satisfying the Bank's fiduciary requirements. The borrower must also provide a means satisfactory to the Bank for resolving the dispute concerning the offer of compensation in a timely and equitable manner.

Supervision

14. Recognizing the importance of close and frequent supervision⁹ to good resettlement outcomes, the Regional vice president, in coordination with the relevant country director, ensures that appropriate measures are established for the effective supervision of projects with involuntary resettlement. For this purpose, the country director allocates dedicated funds to adequately supervise resettlement, taking into account the magnitude and complexity of the resettlement component or subcomponent and the need to involve the requisite social, financial, legal, and technical experts. Supervision should be carried out with due regard to the Regional Action Plan for Resettlement Supervision.¹⁰

15. Throughout project implementation the TL supervises the implementation of the resettlement instrument ensuring that the requisite social, financial, legal, and technical experts are included in supervision missions. Supervision focuses on compliance with the legal instruments, including the Project Implementation Plan and the resettlement instrument, and the TT discusses any deviation from the agreed instruments with the borrower and reports it to Regional Management for prompt corrective action. The TT regularly reviews the internal, and where applicable, independent monitoring reports to ensure that the findings and recommendations of the monitoring exercise are being incorporated in project implementation. To facilitate a timely response to problems or opportunities that may arise with respect to resettlement, the TT reviews project resettlement planning and implementation during the early stages of project implementation. On the basis of the findings of this review, the TT engages the borrower in discussing and, if necessary, amending the relevant resettlement instrument to achieve the objectives of this policy.

16. For projects with impacts covered under [para. 3\(b\) of OP 4.12](#), the TT assesses the plan of action to determine the feasibility of the measures to assist the displaced persons to improve (or at least restore in real terms to pre-project or pre-displacement levels, whichever is higher) their livelihoods with due regard to the sustainability of the natural resource, and accordingly informs the Regional Management, the Regional social development unit, and LEG. The TL makes the plan of action available to the public through the InfoShop.

17. A project is not considered complete--and Bank supervision continues--until the resettlement measures set out

in the relevant resettlement instrument have been implemented. Upon completion of the project, the Implementation Completion and Results Report (ICR)¹¹ evaluates the achievement of the objectives of the resettlement instrument and lessons for future operations and summarizes the findings of the borrower's assessment referred to in [OP 4.12, para. 24](#).¹² If the evaluation suggests that the objectives of the resettlement instrument may not be realized, the ICR assesses the appropriateness of the resettlement measures and may propose a future course of action, including, as appropriate, continued supervision by the Bank.

Country Assistance Strategy

In countries with a series of operations requiring resettlement, the ongoing country and sector dialogue with the government should include any issues pertaining to the country's policy, institutional, and legal framework for resettlement. Bank staff should reflect these issues in country economic and sector work and in the Country Assistance Strategy

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1. "Bank" includes IBRD and IDA ; "loans" includes IDA credits and IDA grants, guarantee made by the Bank , including Project Preparation Facility (PPF) advances and grants under the Institutional Development Fund (IDF) if they include investment activities; and "project" includes any project supported by under (a) Investment Project Financing under [OP 10.00, Investment Project Financing](#); (b) grants under the Global Environment Facility and Montreal Protocol for which the Bank is the implementing/executing agency; and (c) grants or loans provided by other donors that are administered by the Bank. The term "project" does not include a program supported by Development Policy Lending (for which social aspects are governed by [OP 8.60, Development Policy Lending](#)), or a program supported by Program-for-Results Financing (for which social aspects are governed by [OP 9.00, Program-for-Results Financing](#)). Borrower" also includes, wherever the context requires, the guarantor or the project implementing agency.
 2. See [OP 4.12, Involuntary Resettlement](#).
 3. Unit or department in the Region responsible for resettlement issues.
 4. The Bank satisfies itself that the borrower has explored all viable alternative project designs to avoid involuntary resettlement and, when it is not feasible to avoid such resettlement, to minimize the scale and impacts of resettlement (for example, realignment of roads or reduction in dam height may reduce resettlement needs). Such alternative designs should be consistent with other Bank policies.
 5. Such actions may include, for example, developing procedures for establishing eligibility for resettlement assistance; conducting socioeconomic surveys and legal analyses; carrying out public consultation; identifying resettlement sites; evaluating options for improvement or restoration of livelihoods and standards of living; or, in the case of highly risky or contentious projects, engaging a panel of independent, internationally recognized resettlement specialists.
 6. See [The World Bank Policy on Access to Information, para. 34](#) (Washington, D.C.: World Bank, 2002).
 7. For projects with impacts covered under [para. 3 \(b\) of OP 4.12](#), the analysis referred to in (b) and (d) above is carried out when the plan of action is furnished to the Bank (see para. 15 of this BP).
 8. In case of resettlement policy framework, the borrower's obligation also includes preparing a resettlement plan in accordance with the framework, for each sub-project giving rise to displacement, and furnishing it to be the Bank for approval prior to implementation of the sub-project.
 9. See [OP/BP 10.00, Investment Project Financing](#).
 10. The Plan is prepared by the regional social development unit in consultation with the TTs and Legal.
 11. See [OP/BP 10.00, Investment Project Financing](#).
 12. The ICR's assessment of the extent to which resettlement objectives were realized is normally based on a socioeconomic survey of affected people conducted at the time of project completion, and takes into account the extent of displacement, and the impact of the project on the livelihoods of displaced persons and any host communities.