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PLAN OF OPERATIONS

REGIONAL

I. GENERAL INFORMATION

Project title: Involuntary Resettlement: Policy Review and Best Practices

Project number: RG-T1114

Project Team: Anne Deruyttere (SDS/IND), Project Team Leader; Maria da Cunha (SDS/IND); David Tither (INT/RTC); and Diego Buchara (LEG/OPR)

Executing agency: The Bank

Beneficiaries: The Governments of the Bank's borrowing member countries

Financing Plan: IDB (Net income FSO): US\$100,000
Total: US\$100,000

Terms: From the date of approval:
Execution period: 6 months
Disbursement period: 9 months

Social and Environmental Review: SDS/ENV gave its non-objection on May 16, 2005, without comment.

II. BACKGROUND AND JUSTIFICATION

A. Background

2.1 Multiple development projects financed by the Bank and by the World Bank in Latin America and the Caribbean (LAC) involve involuntary resettlement. Both organizations have developed comprehensive policies aimed at avoiding resettlement to the extent possible, and putting in place plans to mitigate its negative impacts when it is unavoidable. However, it has become clear that practitioners and institutions involved in resettlement operations need to be better

prepared to address the challenges that arise during the design, implementation and supervision of resettlement plans. This technical cooperation is focused on identifying and disseminating the best tools for this purpose and starting to mainstream these practices into the local regulatory framework in order to improve the outcomes of resettlement programs. These programs generally affect the most vulnerable segments of the population. Therefore, it is important to ensure their effectiveness in mitigating impoverishment risks and to take advantage of the opportunities that resettlement presents to foster local development and to improve livelihoods. In addition to the traditional mitigatory use of resettlement policies in the context of infrastructure development financed by multilateral banks, local governments can also draw on the lessons of resettlement programs to develop their own regulations to manage involuntary relocation related to land use rationalization and regulation, urbanization plans and programs, preventive management of risks related to natural hazards and permanent reconstruction of infrastructure after natural disasters, and settlement programs designed to address population displacement as a result violent conflict.

- 2.2 During the II Technical Forum on Resettlement carried out in Bogotá from May 25 to 27, 2005, more than 200 participants from the public and private sectors in Colombia, Venezuela, Ecuador, Argentina, Paraguay, Uruguay, Nicaragua, Mexico, Peru, Bolivia and Brazil shared experiences and expressed the need for access to information on good practices and general support to improve the design and implementation of resettlement activities. Several governments have joined in this request for funds to support these activities.

B. The Bank's Strategy in the Sector

- 2.3 The Bank's focus on poverty reduction, new trends in its portfolio towards financing large infrastructure projects and demand by borrowers regarding guidance on the application of the policy and the most effective tools for that purpose make the activities proposed in this technical cooperation a priority for Bank funding. Its particular relevance to poor and vulnerable groups makes the Fund for Special Operations (FSO) an appropriate source of the necessary financing. The Bank adopted a new Involuntary Resettlement Policy (OP-710) in 1998, which has two fundamental objectives: (a) minimizing resettlement, and; (b) mitigating the impacts of unavoidable resettlement, especially with regard to the risk of impoverishment of affected people, particularly when they are low-income or vulnerable. A derivative goal of the policy is to have governments mainstream these practices into all of their development interventions. This goal is now finding an echo in the interest of local governments in implementing similar approaches to resettlement as part of their urban development, disaster prevention and local development strategies.

C. Coordination with other official development finance institutions

- 2.4 The technical cooperation capitalizes on the opportunity to combine efforts with the World Bank. The banks co-sponsored the Bogota forum and are pursuing a

joint approach to compile resettlement experiences and issues, to harmonize practices and guidelines regarding resettlement to the extent possible, and to disseminate these practices among local experts and governments. Harmonization of safeguards and procedures between IFIs is an international mandate, which the IDB has endorsed.¹ The World Bank and the IDB have faced similar issues in the application and effectiveness of their respective policies on resettlement in LAC. By combining efforts, these institutions can draw from a broader experience basis, minimize discrepancies in future applications, conserve resources by sharing research and training efforts, and foster local expertise to manage future resettlement programs whether or not these are connected to bank projects.

D. The value added of this project

- 2.5 The activities of this technical cooperation will help strengthen government and private sector agencies involved in resettlement, and enhance the effectiveness of resettlement plans by ensuring common approaches between the World Bank and IDB. In addition, the application of sound resettlement tools and practices provides for a knowledge base that is also relevant for other poverty alleviation initiatives, such as community development, housing, and neighborhood improvement and disaster prevention operations. Practices that improve the quality of resettlement programs can also make a significant contribution to the effectiveness of LAC governments regarding urbanization, land use management, low-income housing and local development initiatives, all of which are areas of increasing importance in efforts to alleviate poverty and improve livelihoods for the poorer segments of the region's populations.

III. OBJECTIVES AND DESCRIPTION OF THE PROJECT

A. Objectives

- 3.1 The overall objective of the project is to identify and disseminate best practices and tools on involuntary resettlement, enhancing technical capacities at the national and international level, especially with respect to minimizing the impoverishment risks that often accompany resettlement programs.
- 3.2 This will be done through a series of studies and other activities including: (a) reviewing the application of the Bank's policy and its experience; (b) developing, in coordination with the World Bank a first series of good practice guides on key issues; (c) contributing to the dissemination of experiences and good practices through consolidation of the results of the Bogota forum and subsequent publications and training programs; and (d) contributing to the mainstreaming of adequate resettlement practices into the regulatory framework of borrowing countries and the business policies and guidelines of private sector borrowers.

¹ The harmonization mandate was strongly endorsed in the recent high-level meeting which adopted the Paris Declaration of Aid Effectiveness (March 2005).

B. Description

3.3 This technical cooperation will have the following components:

Component 1: Studies (US\$91,800)

a) Review of experience with the application of development agency resettlement policies

3.4 An individual consultant will be hired to compile and organize information on the experience with the application of development agency resettlement policies, and conduct a preliminary analysis to identify lessons relevant for the specific studies, other areas of priority for future analysis and information gaps. This information will provide the basis for the development of a database and of case examples, and for the in-depth analysis of the specific issues outlined in subcomponent (b) below. Consequently, the information to be gathered will include: (1) basic operation data; (2) key contact personnel and stakeholders; (3) basic information on the resettlement plans (design, implementation, monitoring and evaluation); (4) presence of issues related to the topics listed in component (b); (5) relevant local (country level regulations); (6) lessons learned; and (7) other key issues (such as quality of the participation process, impacts on productive activities, management of environmental impacts, and health and education issues, among others). Estimated time required is 45 non-consecutive person-days.

b) Research on key resettlement issues

3.5 Individual consultants will be hired to analyze relevant experience in key areas, identified as priorities by participants in the Bogota Forum, and supported by participating governments. The areas for further study will be selected with reference to the following priority areas identified and discussed during the Bogota Forum:

(i) Planning and follow-up mechanisms

- a. Methodologies for development of censuses and other socio-economic studies.
- b. Role of the census and socio-economic studies in: identifying the affected persons for the resettlement plan and defining their eligibility (cut-off dates, characteristics, extent of losses), designing resettlement alternatives and compensation and assistance options and criteria, evaluating the re-establishment of the livelihood and socio-economic conditions of the affected persons, establishing a baseline and evaluating the success of resettlement plans, establishing qualitative and quantitative indicators to determine that the plan has been fully implemented or identifying needed additional actions.
- c. Communication issues: gathering the socio-economic data, informing and guiding affected persons in selecting and negotiating compensation options;

balancing intermediation, representation and individual negotiation in the participation of stakeholders.

- d. Systems for management of the information, follow-up, monitoring and evaluation.

(ii) Local regulatory framework for resettlement:

- a. Identification of relevant local regulations and quick evaluation of compliance and effectiveness (include legislation concerning expropriation, housing and social rights and benefits including human rights, sectoral regulations, and national, provincial or municipal policies on land settlement and resettlement).
- b. Evaluation of the institutional capacity available to implement regulations related to resettlement and complementary programs, and identification of gaps and opportunities.
- c. Analysis of consistency between local framework and development agency resettlement policies, and identification of gaps, contradictions and approaches used to reconcile discrepancies.
- d. Definition of public and private responsibilities in resettlement plans and operations, with particular focus on the implications of these issues to the private development arms of donor institutions.

(iii) Conflict resolution mechanisms

- a. Identification and classification of conflicts typically encountered in the various phases of the resettlement planning and implementation.
- b. Identification of possible conflict resolution mechanisms considering local regulations, availability of human and other required resources, likelihood of success, community social capital; evaluation of their costs and benefits.

(iv) Special categories of affected persons

- a. Persons without legal title: Categories (permanent or occasional occupants, tenants, persons in possession of land, employees, providers of goods and services, space or natural resource users, persons with cultural or spiritual connections, etc.); particular challenges and opportunities for persons settled in the right of way of linear projects such as roads, pipelines and transmission lines; strategies and alternatives for assistance or compensation differentiated by category of affectation; mechanisms to replace losses (housing, income, resource access, recreational, cultural or spiritual uses, etc).
- b. Businesses: productive activities in rural and urban areas including informal sector activities such as street vendors, trash pickers, etc.; methods and

criteria to identify direct and indirect loss of income and assets and determine the extent of loss required to trigger eligibility for assistance under the resettlement plan; criteria and strategies for compensation of economic losses and replacement of lost assets and income.

(v) Resettlement as a tool for disaster prevention and neighborhood improvement

- a. Frameworks for resettlement of populations in high-risk situation and as part of neighborhood improvement projects.
 - b. Risk and benefit awareness campaigns.
 - c. Alternative solutions for different types of tenancy and property rights and affectation; use and control of vacated areas.
 - d. Blending of settlement policy and resettlement best practices to establish incentives and quasi-voluntary frameworks for resettlement for risk abatement purposes.
- 3.6 For each research topic the consultants will develop at least two case studies to illustrate key practices.
- 3.7 For each topic the consultants will present:(1) a preliminary report on the topic and possible case studies; and (2) a final report with the results of the topical analysis, case studies, recommendations and guidelines for each topic, that will include:
- i. A good practices guide for each topic for use by project proponents.
 - ii. Recommended improvements for national regulatory frameworks.
 - iii. Recommendations for revisions and harmonization of development agency resettlement policies.
 - iv. Recommended additional studies to improve resettlement frameworks and practices.
 - v. Case and literature references.

Component 2: Dissemination and Publication (US\$4,000)

- 3.8 The second component will consist of the dissemination of the findings of the studies. The principal consumers of the results of this project are the governments of the region, international organizations and non-profit organizations.
- 3.9 A principal vehicle for disseminating the findings of the project will be joint events and teleconferences sponsored by the IDB and the World Bank financed

separately from this project with participation of staff, executing agencies and other stakeholders. In addition, and jointly with the World Bank, the Bank will disseminate the results of the project through publications and their respective websites. All research undertaken by this operation, and disseminated at non-IDB events or through non-IDB websites, will be clearly identified as having been produced by the IDB.

C. Expected Project Outputs

- 3.10 The outputs of the TC will include: (1) a series of best practice guides on the specific topics outlined in par. 3.5; (2) recommendations for revisions and harmonization of development agency resettlement policies, and; (3) dissemination of the results through publications and the Internet. In addition, external to the project, the IDB and the World Bank are expected to organize training events on the topic for their respective staff and for local experts.
- 3.11 These inputs are expected to lead to improved resettlement projects in the borrowing countries, and to a consequent reduction in the impacts of resettlement associated with development projects.

IV. COST AND FINANCING

A. Summary Cost Table

- 4.1 The total cost of the project is the amount of US\$100,000, charged to the net income of the Funds for Special Operations (FSO) on a non-reimbursable basis, as described in the following table.

Table of Cost and Financing (In US\$)

Categories	IDB	Total
1. Studies	91,800	91,800
a) Review of development agency resettlement policy experience:	15,000	
• Honoraria: 50 days x \$300 (1 consultant)	3,200	
• Travel + per diem		
b) Topical research on key resettlement issues	50,000	
• Honoraria: 100 days x \$500 (3 consultants)		
• Travel + per diem (3 x 5 country visits + 3 x forum)	23,600	
2. Publication and dissemination:	4,000	4,000
• Editing, translation, printing and distribution of publication		
3. Contingencies	4,200	4,200
Total	100,000	100,000

- 4.2 The resources of the technical cooperation will be part of a wider effort to formulate and disseminate resettlement good practices that will be complemented by: (a) contributions in kind from client agencies and companies in the form of

staff time to contribute to the research effort; and (b) World Bank resources to finance complementary research, publication of results and joint training events.

B. Sustainability

- 4.3 Sustainability of results will be achieved through the integration of the technical cooperation results in improved donor coordination, enhancements in resettlement practices, and strengthening of local regulatory frameworks.

V. EXECUTION OF THE PROJECT

- 5.1 The Bank will execute the project through SDS/IND (technical responsibility) and the Regional Technical Cooperation Division of the Integration and Regional Programs Department, INT/RTC (basic responsibility). SDS/IND will coordinate with the operational departments and PRI through the resettlement working-group, established at the request of the CESI. SDS will also coordinate with participating government agencies regarding selection of study areas, terms of reference and quality of outputs. Bank field staff and operational staff are expected to support the consultants by providing information on Bank resettlement programs and access to resettlement plans and other relevant documentation. Country Offices will also provide minimum logistical support (work space and computer access) when consultants make field visits.
- 5.2 Final products of the technical cooperation will be reviewed by the working group and by the CESI, in consultation with peer reviewers from client agencies.
- 5.3 The project will be executed within 6 months of its approval.
- 5.4 SDS/IND will be responsible for selecting and supervising consultants. Terms of Reference and products will be reviewed in coordination with interested departments and participating agencies. The Bank's procurement policy for the selection and contracting of consulting services (GN-2350-4) requires the ex-ante identification of the selection method to be applied for this project. In this context, the procedure for the selection and contracting will be that applicable to individual consultants (section V of document GN-2350-4), i.e. consultants will be selected based on their qualifications for the assignment, judged on the basis of academic background and experience, and if applicable, their knowledge of local conditions (see also procurement plan as Annex I).

VI. MONITORING AND EVALUATION

- 6.1 Each consultant will present a work plan, a draft report and a final report to the satisfaction of the Bank, in accordance with the detailed content outlined in the Terms of Reference.
- 6.2 Evaluation of the project will be conducted by SDS/IND based on feedback from users of the guidance produced inside and outside the Bank. This feedback will be obtained during dissemination and training events, and subsequently through

informal surveys and comments posted to SDS/IND home page regarding the use of the good practice guides

- 6.3 Within the 60 days following the completion of the project, SDS/IND will produce a Project Finalization Report (REFIP). For this, the Project Team Leader will call a meeting of the Project Team members and relevant specialists from the Regional Departments and other pertinent units of the Bank to evaluate the level of achievement of the program's objectives and goals. The above-described reports will be used as input to this evaluation.

VII. BENEFITS AND RISKS

A. Benefits and Beneficiaries

- 7.1 The results of the project will contribute to the improvement of resettlement practices beyond bank-financed programs. This will improve the efficiency and effectiveness of donor agencies' staff in dealing with resettlement issues. The results of the technical cooperation are also expected to contribute to improved local frameworks for resettlement and improved expertise at the local level.
- 7.2 Direct beneficiaries of the project will include representatives of the public and private sector that face resettlement issues in their operations, and indirect beneficiaries will include the affected persons that benefit from improved resettlement practices resulting from the mainstreaming of best practices through improvements in local regulations, expertise and practices.

B. Risks

- 7.3 Selecting consultants with a high level of credibility and with a proven track record will mitigate any possible risk.

VIII. ENVIRONMENTAL AND SOCIAL ASPECTS

- 8.1 By their nature, the components funded in this operation will have no negative environmental or social impacts. On the contrary, it seeks to enhance the capabilities of the Bank and its borrowers to manage some of the most difficult issues in mitigating the impacts of resettlement.
- 8.2 SDS/ENV gave its non-objection on May 16, 2005, without comment.

IX. APPROVAL

- 9.1 In accordance with the Document CC-5290, approved by the Coordination Committee on August 2, 1995, and the corresponding memorandum of simplification ("Simplification of Procedures and Delegation of Authority to Approve Non-Reimbursable Technical Cooperation"), dated September 12, 1995, I submit for your approval the above-mentioned operation for the amount of US\$100,000 to be charged to net income of the Fund for Special Operations (FSO).



Laura Bocalandro, Chief INT/RTC

11/23/05
Date

Approved:



Nohra Rey de Marulanda, Manager, INT

11.23.05
Date

Annex I - Procurement Plan

Principal Program Procurement	IDB %	Local %	Procurement Method	Prequalification Yes/No	Special Procurement Notice	Status
4 consultants on key resettlement topics	100%		Individual Consultant – revision of qualifications	No	N/A	Pending