

MODULE 5

**LIVELIHOOD RESTORATION
AND IMPROVEMENT**

I. Overview of Livelihood Restoration and Improvement

Livelihood refers to the full range of means that individuals, families, and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade, and bartering.

It encompasses subsistence (self-consumed) production, natural resource utilization, non-cash-based transactions such as bartering, as well as cash-based and wage income. The unit of production can be an individual, a household, an enterprise, or a community.

Livelihood restoration applies to both temporary and permanent economic displacement. Projects that may involve temporary displacement include pipelines, transmission lines, construction camps, laydown areas, and the like. For temporary displacement, livelihood-restoration measures commensurate with the duration, magnitude, and complexity of impact should be planned and implemented.

II. The Importance of Livelihood Restoration and Improvement

II.A. Characteristics of Livelihoods

Livelihood restoration is the most challenging aspect of any resettlement program. There are many reasons for this:

- *Livelihoods are complex.* They are shaped by social and gender norms, customs, access to resources, local knowledge of natural or urban environments, and the larger systems of government, economics, and politics.
- *Livelihoods often draw on a suite of activities and social or ecological niches.* Displaced households may be reliant on multiple activities and resources to meet their livelihood needs. Livelihood-restoration interventions must be based on an understanding of the full web of resources, including those that may be drawn on only to survive periods of extreme hardship.
- *Livelihood systems are dynamic.* Activities must frequently change and adapt in response to an individual's or household's changing access to labor, access to resources, fluctuations in rainfall patterns, natural disasters, conflict, setbacks, and failures.
- *Livelihood systems are subject to exogenous systems and shocks.* These are outside the influence and control of a project or displaced people and include, for example, changing market conditions, high inflation or recession, government changes in fiscal settings or policy, local conflicts, or war.

- *Individuals and households have differing capacities to take advantage of livelihood opportunities and adapt to changes.* Some seize the opportunities offered by a resettlement program and significantly improve their circumstances. Others take longer to adjust, but eventually reestablish themselves. Still others, who are often poor and vulnerable, may be left worse off if they do not receive targeted assistance.
- *Displaced individuals and households are often conservative and resistant to livelihood change.* Subsistence farmers, in particular, tend to eschew innovation in favor of traditional methods, because the consequences of taking risks can mean hunger and extreme hardship. New livelihood opportunities for women can help promote gender equality and women's empowerment but can also be met with resistance and increase risks of GBV for women.
- *Sustainable livelihood restoration takes time and requires ongoing adaptive management.* Provision must be made for adequate personnel, budgets and resources for the duration of livelihood programs. This support often must extend beyond the project construction period. Budgets and schedules should include some contingency for setbacks.

Much has been learned in the past years regarding livelihood restoration, not all of it related to resettlement. This module provides guidance and examples of current good practice. Those undertaking livelihood-restoration programs should refer to the online resources provided in the handbook's [Resources](#) section to stay current on the latest developments in this evolving field.

II.B. Defining Livelihood Restoration and Improvement

Household livelihoods are multidimensional and dynamic. Some characteristics that might indicate restoration or improvement of livelihoods are summarized in box 5.1.

KPIs for measuring progress with livelihood restoration should be selected early in the resettlement-planning process and carried into the baseline surveys (see [Module 4. VII. Livelihood Baseline Research and Surveys](#) and [VIII. Common Property and Natural Resource Use](#)). These need to be tailored to the specific livelihood circumstances of those displaced. It is preferable to have a few indicators that can be reliably measured, rather than a large number captured only intermittently. Project sponsors must be able to track the progress of displaced individuals and households in restoring or improving their livelihoods and income levels until the livelihood program is deemed complete see [Module 7. Monitoring](#).

Box 5.1. The Characteristics of Livelihood Restoration and Improvement

A successful livelihood program should result in a household experiencing improvements across several areas. It should be noted, however, that improvements in one area (e.g., standard of housing) do not necessarily offset a deterioration in another crucial area (e.g., reduced income levels). Livelihood restoration and improvement may be characterized by some combination of the following:

- Restored or improved income levels
- Restored or improved household food security
- Restored or improved security of tenure
- Restored or improved household health and nutrition
- Improved gender equality in livelihoods opportunities
- Restored or diversified income sources
- Restored or improved access to markets
- Restored or increased yields
- Restored or improved consumption and diet
- Fewer households living below the poverty level
- Improved safety in carrying out livelihood activities
- Restored or improved resilience to natural or economic shocks

II.C. The Importance of Livelihood Improvement

Livelihood improvement, rather than just restoration, is important to offset the opportunity costs borne by displaced households as a result of undergoing a resettlement process.

The process of resettlement can decapitalize households, leaving them with less land and reduced livelihood resources. Many factors can contribute to this decapitalization:

- Compensation paid at below replacement cost
- Protracted delays, including in payment, leading to devaluation of compensation
- Replacement property price escalation
- Deductions from compensation to pay debtors
- Lack of replacement land of adequate potential
- Dissipation of compensation to meet living costs during the move

- Failure to consider gender issues in livelihood planning, including the contributions women make to the household income through their domestic responsibilities
- The opportunity cost imposed in the period after a cutoff date is announced, when an affected household is deprived of opportunities for improvement of their living standards, relative to their unaffected neighbors, particularly when this period of personal and economic uncertainty is longer than expected, which is often the case in complex projects

A period of improved livelihood and income is necessary for a resettled household to recoup its losses and opportunity costs and to catch up with the living standards of those who are not affected.

In addition, where affected persons live in poverty or in poor conditions before resettlement (e.g., vulnerable people, slum dwellers, and people affected by chronic food insecurity), it is not sufficient for livelihood activities to focus on *restoration* only; there is no point in restoring affected persons into poverty. In such situations, livelihood activities must clearly target improvement such that the resettlement project provides a development opportunity out of poverty. This development opportunity out of poverty needs to work alongside improvements in gender equality in livelihoods.

II.D. Key Challenges of Livelihood Restoration and Improvement

Some of the key challenges that need to be addressed in designing and implementing a livelihood-restoration program include the following:

- *Defining success.* What constitutes sustainable livelihood restoration? When can livelihood restoration be deemed complete?
- *Collecting adequate livelihood baseline data.* This is needed so that the full suite of activities that contribute to household livelihoods and income streams can be understood.
- *Accounting for nonmonetary livelihood activities.* These may be from subsistence production, natural resource use, and goods exchanged through barter.
- *Finding suitable replacement agricultural land.* Is land available within a reasonable proximity of dwellings that has suitable agricultural characteristics or that can be straightforwardly improved?
- *Overcoming resistance to change.* Rigid adherence to traditional practices, especially gender roles, may make it difficult to achieve livelihood improvements.

- *Achieving sustainable access to agricultural inputs.* These may include improved seeds, higher yielding cultivars, fertilizer, herbicides, pesticides, veterinary services, and improved postharvest technologies.
- *Improving food security.* This is true especially in contexts where, prior to resettlement, few households enjoyed year-round food sufficiency.
- *Managing expectations.* This is especially important concerning demands for employment.
- *Managing gender risks.* Opportunities for women to engage in new livelihoods should be considered alongside increased risks of GBV, especially if livelihoods security and opportunities do not also improve for men.
- *Managing intergenerational differences in livelihood aspirations.* Younger people can have different livelihood and employment aspirations than their elders. Changes in relative affluence induced by the flow of wages from project-related employment can lead youths to challenge the traditional authority of their elders.
- *Overcoming low educational skills.* These may include low-grade attainment and poor literacy and numeracy skills and will require equipping displaced people for wage employment.
- *Offsetting increased household expenditures post-resettlement.* There may be a need to cover costs of cooking fuel, water, or transport, which were often free or cheap prior to resettlement.
- *Unbundling project procurement tenders.* This can provide opportunities manageable for local enterprises.
- *Building capacity of local businesses.* They may need assistance to meet project standards and needs.
- *Identifying specific needs and opportunities for women.* This may require intensive work with community leaders and women to identify new opportunities. See box 5.2 on gender considerations.
- *Assessing changes to social networks, social capital, and social safety nets that are critical to livelihoods and household resilience.* These are not easily measured or quantified in terms of determining whether they have been restored or replaced.
- *Managing urban livelihoods.* This entails recognizing locational dependencies.
- *Managing failure.* This can include, for example, crop failures, livestock setbacks, or employment rejections.
- *Supporting livelihood programs for a sufficient duration.* The goal is to make them sustainable.

Box 5.2. Gender Considerations in Livelihood Restoration

A project in Africa economically displaced over 200 commercial vegetable gardeners who sold their produce in the capital. The income derived from these sales represented the primary source of livelihood for most of these farmers. The socioeconomic studies did not recognize that the men owned the boreholes, irrigation systems, and machinery. When the male gardeners used their compensation money to acquire replacement land, they installed replacement irrigation systems. The majority of women were unable to find replacement land and install adequate irrigation systems. In some cases, the men allowed the women to share their equipment. Many of the women who were not able to partner with male gardeners were impoverished by the project's oversight of the gender differences in production systems.

III. Key Principles of Livelihood Restoration and Improvement

Following are some key learnings from resettlement livelihood programs. Some of these may seem self-evident, but they are nonetheless often overlooked.

III.A. Planning

Careful planning is required to ensure sustainable livelihood restoration. Some factors to consider include the following:

- Take a holistic view of livelihood systems that encompass not only the main economic streams but also those that may appear secondary or are critical only to small groups of affected persons.
- Pay attention to gender dimensions: livelihood activities of females and males are often different, as are their formal educational levels and their expectations and aspirations. Both men and women may underestimate the capacities of women to engage in livelihood activities that can benefit families and communities.
- Use multidisciplinary input, knowing that experienced specialists familiar with local conditions should be retained to undertake livelihood baseline studies, assess impacts, and recommend appropriate activities. Appropriate expertise will lead to better targeted and more cost-effective livelihood programs and more rapid livelihood restoration.
- Check that there are sustainable and accessible markets for the skills imparted to workers as well as resettled people.

- Include consideration of opportunities for women to engage in new and safe livelihood opportunities in this market analysis. This may involve presenting ideas to community members for discussion.
- Examine the value chains of locally produced goods and look at opportunities for secondary processing and ways to improve handling, storage, transport, and marketing to add value.
- Offer multiple and multifaceted livelihood programs. Recognize one size does not fit all and that some programs will flourish, some will work for phases of livelihood restoration, and others will fail.
- Engage with in-country bilateral and multilateral donors and development NGOs. Look for funding and synergies whereby effective donor livelihood programs and initiatives can be extended into the project area of influence.
- Train affected persons in skills that relate to real opportunities (e.g., do not train people as motorcycle mechanics when they live in a village that has no motorcycles).
- Look beyond construction employment. It is a transitional support measure, not a sustainable livelihood activity. However, classroom and on-the-job training that delivers nationally certified trade qualifications can equip affected persons to compete more effectively in the job market beyond the temporary construction jobs provided by the project.
- Consider integrating livelihood restoration of affected persons into broader development initiatives that target the wider area where the project is taking place.
- Coordinate closely with local and higher levels of government. Many aspects of livelihood restoration overlap with responsibilities of government, and interaction with government is key.
- Obtain records of local livelihood activities and statistics of production levels.
- Consult local and higher-level government officers (e.g., in agriculture, fisheries, and forestry) in the design of livelihood programs and their monitoring.
- Find and facilitate access to replacement agricultural land.
- Align project livelihood programs with government socioeconomic policies and initiatives, including implementation of local and regional development and land-use plans.
- Register unemployed workers and facilitate job placement.
- Recognize that livelihood restoration can often take three to five years to accomplish, and plan and budget accordingly.

III.B. Implementation

Some lessons learned from implementing livelihood programs include the following:

- Use experienced delivery partners to design and deliver livelihood-restoration programs that are based on proven in-country and local experience.
- Use multiple delivery partners on relatively short duration contracts (12–18 months), so that the best performers receive repeat work and poorer performers are replaced (i.e., promote healthy competition).
- Where possible, leverage delivery partners to augment project-funded programs with matching funds or in-kind contributions.
- Consider bringing in access to capital, for example, rural banks or microfinance institutions that can fund the establishment of small and medium enterprises once training is done, and ensure equity in availability for women.
- Leverage key project construction contractors and suppliers to provide training, skills development, work experience, and employment opportunities, with first preference being extended to PAPs.
- Unbundle project procurement and supply contracts to provide opportunities for local businesses. Establish a local content champion to facilitate making opportunities for local businesses and to encourage employment of women in those businesses that secure contracts.
- Explore opportunities for government capacity building (e.g., involving local government officers in relevant trainings or seeking government commitment to recruit or second an agricultural extension officer).
- Provide continuity of agricultural extension and livelihood support once project responsibilities have been fulfilled.

III.C. Monitoring and Review

Monitoring and mid-term reviews add value by improving the effectiveness of livelihood programs. Very often, livelihood programs need to be refined or even significantly adjusted in response to unforeseen exogenous factors or delays in construction or to better tailor them to the interests, aptitudes, sociocultural factors, or availabilities of participants.

- Conduct internal, and independent, mid-term and completion reviews of each livelihood program. These are critical to allow for adaptive changes to be made to improve program effectiveness and identify which programs should be continued and which should be discontinued.

- Design all programs with a logical framework analysis, including defined goals, inputs, outputs, and monitorable outcomes.
- Use participatory monitoring to capture the views and evaluations of displaced people.

IV. Tasks to Undertake Livelihood Restoration

IV.A. Task 1: Livelihood Baseline Studies

Carry out baseline studies and engagement activities as described in Module 4, particularly section VII. [Livelihood Baseline Research and Surveys](#) and define KPIs from the baseline stage for measuring the progress of livelihood restoration and improvement. As part of this, do the following:

- Identify all livelihood streams, including those that may seem relatively marginal and do not appear in usual household and asset surveys, particularly those linked to the use of communal resources and seasonal ones.
- Identify poverty and vulnerability issues and specific livelihood and coping strategies of the poorest and vulnerable.
- Develop a register of displaced people of working age with information about their educational attainment, skills, prior work experience, and any preferences for future employment or small business.
- Assess options for new livelihood opportunities for women and assess risks (including GBV risks) linked to these.
- Assess options for replacement of agricultural land.
- Assess the capacity of national agencies, local government, and other potential livelihood delivery partners (including development NGOs, microfinance institutions, and banks) to support project livelihood initiatives.
- In urban settings, understand the site dependency of livelihoods prior to displacement (e.g., presence of a market, access to certain types of jobs, or suitable locations for certain types of enterprises).
- Ratify findings with displaced communities (and their hosts, where applicable) using participatory consultation techniques such as focus groups.

IV.B. Task 2: Livelihood Impact Assessment

Assess what livelihood resource losses might be after relocation and define impacts to the following:

- *Different types of land use.* Agricultural, forestry, and grazing land, among others on which local livelihoods are based, may change after resettlement. Differences in size are important, but qualitative analysis is also necessary for each category of land use, as soil and land capability characteristics will change between the pre-and post-resettlement situations, making certain types of crops on which pre-resettlement livelihoods were based impossible in the post-resettlement setting. Inputs from an experienced soil scientist, agronomist, livestock specialist, forester, or land-use planner may be necessary.
- *Natural resources.* These are important to certain livelihood streams and include arable land, pasture, forest, water bodies, access to fishing or hunting grounds, NTFPs, and the like.
- *Enterprises.* Clients may face potential losses following relocation, including difficulty in retaining employees or finding clients after relocation and the subsequent transition. Impacts can be temporary or permanent.
- *Livelihood streams.* Again, it is important to note that marginal or hardly visible streams in the overall economic picture (gathering, fishing, grazing, and the like) could be critical to certain categories of affected persons, including vulnerable or marginalized groups, women, fisherpeople, informal settlers and squatters, and indigenous people.
- *Social and gender systems.* Livelihoods are often segregated according to gender. Participation in livelihoods helps define social and gender norms. When livelihoods are disrupted or halted, the roles of men and women are affected. These changes in gender roles can have positive impacts, such as increased economic empowerment opportunities for women and decreased pressure on men to provide all the family's income. These changes can also have negative impacts, such as an increasing risk of GBV against women who have to work in unsafe locations or who are seen by their husbands to be challenging the "normalcy" of masculine dominance in the family.
- *Access to opportunity and services.* In urban settings especially, impacts to livelihoods are usually related to access to employment, markets for enterprises and artisans, and public transport (see box 5.3).

Box 5.3. Urban Livelihoods and Resettlement Site Selection

An urban highway project in Africa affected about 1,000 slum dwellers who had erected nonpermanent houses on unused state land within a wealthy area of the city. When investigating their livelihoods, it appeared that most of the affected persons were employed as housekeepers, gardeners, and watchmen in the nearby villas. Those employed as security guards were often working on night shifts. In line with their policy for slum relocation, the authorities initially proposed a site located about 15 kilometers away from the original location in the city's fringes, with poor or nonexistent public transport services. Relocating to this site would have jeopardized the affected persons' livelihoods, and the location of the proposed resettlement site was revisited. Another, much closer site was eventually selected, allowing people to keep their jobs.

IV.C. Task 3: Livelihood Strategy Formulation

When formulating the livelihood-restoration strategy, closely involve displaced people and key stakeholders in developing a vision, defining objectives, considering options, and determining preferences for livelihood restoration. Seek broad participation as well as the views of subgroups (women, youth, the elderly, vulnerable people, and ethnic minorities), whose views may differ from the majority (see box 5.4).

In addition, systematically consider livelihood opportunities, constraints, and risks, asking questions such as the following:

- Are displaced people experiencing full or partial livelihood loss?
- Will it be possible for rural households to continue their livelihood activities post-relocation (e.g., agriculture, animal husbandry, fisheries, and foraging)?
- Will urban households be able to continue their existing occupations?
- Is suitable replacement land available to achieve full or only partial land-for-land replacement? Is the quality of such land adequate for crops that were farmed prior to displacement?
- How many displaced people will be able to continue their existing occupations, and how many will need to be trained and assisted to develop alternative livelihoods?
- How does the loss of or changes in livelihoods affect the risk of GBV given the existing GBV context and existing gender norms in communities?
- What are existing skills and aptitudes of displaced people?

Box 5.4. Elements of a Livelihood Improvement Strategy

Defining a livelihood improvement strategy should consider several key questions:

- Is livelihood loss full or partial? Are certain livelihood streams lost while others can be maintained?
- Can land be replaced in full with land of similar or better potential? What is the extent of the loss of land?
- What agricultural extension services are available locally from government or NGOs? Are there agricultural research institutions nearby that can support the agricultural improvement effort? Is there room for the project to support and enhance extension or research?
- Are there quick-win improvements available to local agriculture and animal husbandry at limited cost and within a short time: for example, short-cycle crop varieties to handle droughts better, small-scale irrigation for production of dry season vegetables or fruits, animal health improvement, or better access to water to mobilize new grazing resources?
- Are there longer-term improvements to the agricultural systems that the project can help kick-start: for example, shifting from slash-and-burn and fallow systems to more intensive land use, or introducing mechanization, fertilization, artificial insemination, or greenhouses?
- What are the main market-related bottlenecks to agricultural development: for example, postharvest losses, poor vehicular access, overproduction during some periods and shortages at others, monopolistic behaviors of buyers with manipulation of prices to the detriment of producers, or detrimental subsidies? Which bottlenecks can reasonably be influenced? Can farm-to-buyer or farm-to-market links be improved, and how? Are farmer cooperatives or similar groupings an option to improve market access and access to inputs?
- Is credit readily available at reasonable terms for agricultural improvements? If not, are there banks or microfinance institutions that might be willing to offer such services?
- What project-based opportunities are open to affected persons: for example, unskilled or semiskilled employment or procurement of services such as security, catering, cleaning, vehicle rental, or accommodation? Is there an opportunity to provide training to women in nontraditional positions?
- What training institutions are available in the project area of influence to help prepare PAPs (both men and women) take advantage of these opportunities?
- Are there income-generating activities that could be introduced with reasonable chances of success once support stops?
- Are there institutions (governmental or not) to support enterprise development with training and management assistance during the first years of enterprise establishment?
- Is credit readily available at reasonable terms for the establishment and development of small and medium enterprises? If not, are there banks or microfinance institutions that might be willing to open such services?
- Will women be able to take advantage of the above opportunities? Should specific activities be developed for them? What are the opportunities and risks for women associated with new activities?
- Will vulnerable people be able to take advantage of the above opportunities? Should specific activities be developed for them? What are the opportunities and risks for vulnerable people associated with new activities?
- Are there longer-term educational activities that should be put in place for children and youth?

- What are the possible new skills and aptitudes that displaced people could acquire as a result of the relocation?
- Are some groups of displaced people better equipped to adapt to new livelihoods than others? Which groups are particularly vulnerable to changes in livelihood? Are men and women affected differently?
- What types of training and vocational skills do displaced people need, and what resources are available to provide them? What needs to be done to ensure both men and women have access to these training opportunities?
- What livelihood or wage-earning opportunities could be provided through the project, its contractors, or its suppliers for both men and women?

Taking into account opportunities, constraints, and risks, determine what mix of the following will need to be provided:

- Land-based livelihood strategies (see section [V. Addressing Land-Based Livelihoods](#) of this module)
- Non-land-based livelihood strategies (see section [VI. Effective Non-Land-Based Livelihood Improvement Strategies](#) of this module), including employment (see section [VI.A. Access to Project Employment](#)) and enterprise development (see section [VI.C. Enterprise-Based Livelihoods](#))
- Supporting activities such as agricultural training, vocational skills development, access to credit, and business management training
- Additional activities to ensure changes in livelihoods can promote gender equality

Define the project approach to procuring the services needed to deliver training and livelihood-restoration programs. Determine what will be provided in-house, from NGOs, or through government programs, projects, or agencies.



- Determine the project organization for livelihood programs delivery: consider organizational structure and reporting lines, personnel, resources, budget, and schedule.
- Project construction and operation can provide an opportunity for community members to earn income, develop skills, and become certified in these new skills. Develop recruiting, training, and employment management plans for inclusion of community members in construction contract bid documents. This involves coordinating with the project operations team and possibly government vocational training programs. Establish employment opportunities for project-displaced households and host communities as the first priority and ensure the inclusion of women.
- Initiate replacement site selection, with the participation and involvement of the displaced population; select preferred sites and ratify them with communities (see also [Module 2. VIII.A. Resettlement Site Selection](#)). When considering resettlement sites, ensure that suitability of livelihood restoration (availability of land, markets, etc.) is weighed.

IV.D. Task 4: Documenting the Livelihood Strategy in a Resettlement Action Plan or Livelihood Restoration Plan

The livelihood strategy should be documented in the RAP or LRP (see also [Module 2. IX. Task 6: Preparing RAP/LRP Documentation](#)).

- The RAP/LRP should describe the project organization and human resources that will be deployed for managing livelihood program delivery and make clear which activities will be taken in-house and which will be contracted to implementation partners.
- For RAP/LRP purposes, the following information should be provided on each component livelihood program:
 - Purpose, objectives, targeted outcomes
 - Implementation tasks
 - Implementation roles and responsibilities
 - Resources (personnel, equipment, facilities)
 - Schedule
 - Budget
- The RAP/LRP should include a comprehensive risk assessment that identifies factors that could potentially adversely affect livelihood outcomes and how the project will respond to these.

- If available, detailed livelihood implementation plans should be provided as an appendix to the RAP/LRP.

IV.E. Task 5: Procurement of Delivery Partners and Detailed Planning of Livelihood Program

IV.E.i. Livelihood implementation partners

In private-sector projects, livelihood-restoration activities are often delivered through experienced in-country development NGOs. This is a proven formula, and many development NGOs have experience with similar arrangements: for example, working for a private-sector company, typically under the banner of corporate social responsibility activities. When procuring such a partner, these factors should be considered:

- The NGO's presence in the country and its track record with similar developmental activities in the same area or under similar conditions elsewhere
- Acceptability to all stakeholders, especially the affected persons and the government
- Availability of experienced field and management staff to effect implementation
- Adequacy of suggestions about activities that can work, including implementation models
- Evidence of gender sensitivity in work
- Adherence to project policies, including the PSs (particularly PS2, PS4, PS5, and PS7, if applicable)
- Cost and implementation schedule

Bidding documents should allow for some flexibility in the responses so that partners can suggest approaches, activities, and implementation models that they are comfortable with and have used successfully:

- Based on consultations with displaced people, define the livelihood programs that need to be delivered; prepare terms of reference that outline program needs.
- Call for expressions of interest from suitably experienced potential delivery partners (e.g., development NGOs, consultants, and institutions). Make sure that there is room in bidding requests for candidates to suggest improvements in methodologies and delivery approaches, especially gender considerations.
- Tender, evaluate, and award livelihood program contracts (livelihood program bidders should put forward detailed program designs as part of their proposals). Ensure the tender process is accessible to women and vulnerable groups.

- Define KPIs, self-monitoring, and reporting requirements applicable to implementation partners.

It is also possible to call for ideas or design a competition approach, whereby, in a first stage, partners are invited to submit their views and suggestions for the livelihood-restoration program (with possibly a reward to all competitors to offset their proposal and design cost), including the technical description of activities, a detailed costing, and an implementation model and schedule.

IV.E.ii. Working with government

Project livelihood programs often overlap with the responsibilities of local, regional, or national levels of government in areas such as land-use planning, education, vocational training, labor and employment, agriculture, fisheries, forestry, and natural resource use. Engagement with the government about its programs and capacity to assist with livelihood restoration should happen early in planning. Sometimes, it may be desirable to enter into an agreement with the government in order to provide clarity of roles and distribute responsibilities at the stages of planning, implementation, and monitoring.

Depending on the scale of a project's livelihood activities and the governance systems in the local jurisdiction, the government potentially has a role in the following:

- Providing statistical information about local livelihood activities, production levels, and statutory compensation rates
- Assisting with finding and facilitating access to replacement agricultural land
- Supporting the project in managing encroachment and squatters
- Registering unemployed workers and facilitating job placement
- Extending government training, employment, and livelihood programs to project-displaced people
- Guiding the sponsor to ensure that livelihood schemes are complementary and aligned with government policy and programs
- Providing planning and construction approvals
- Providing continuity of agricultural or other assistance and livelihood support once project responsibilities have been fulfilled, which is part of the project exit strategy. (See section X. [Planning an Exit Strategy](#) of this module.)

Where local government capacity needs to be strengthened, sponsors should consider inviting relevant government officers to observe or participate in key training activities and progress evaluations. A recent NGO innovation has been to second an agricultural manager from a project livelihood program to a funded two-year posting with local government once the livelihood program is complete. In return, the local government commits to create an agricultural

position and fund extension of the role once the two years are over. This provides an exit strategy, maintains a reduced level of service to the livelihood program beneficiaries, and increases the local government's agricultural capacity.

IV.E.iii. Involving other stakeholders

Depending on the context, other stakeholders may need to be involved, including the following:

- Local CBOs, self-help groups, local initiative groups, and youth or women's organizations
- Bilateral or multilateral donors, which may be able to leverage some activities to the benefit of affected persons, but also, and more generally, offer experience in some of the areas involved in livelihood restoration
- United Nations agencies such as the Food and Agriculture Organization, the UN Environmental Program, the UN Industrial Development Organization, and the International Fund for Agricultural Development
- Development NGOs, including those not selected as implementation partners
- Business organizations, such as local and national chambers of commerce or employers' unions in relevant sectors

IV.F. Task 6: Livelihood Program Execution

A common mistake is to initiate livelihood-restoration programs long after compensation and displacement has taken place. To increase the opportunity for success, initiate the process early and do the following:

- Mobilize the resettlement implementation field team, including a livelihood manager and sector leads as needed: for example, for agriculture, animal husbandry, fisheries, and non-land-based livelihood initiatives.
- Mobilize livelihood-restoration delivery partners; carry out site, gender-smart health and safety,³³ and environment inductions.
- Coordinate delivery of livelihood-restoration partner contracts; monitor progress, schedules, and budgets.
- Coordinate with project operations for staging of livelihood-restoration measures and prepare progress reports for management.
- Maintain the GM.

³³ A workplace safety approach that takes gender-related risks into account.

IV.G. Task 7: Monitoring

Define and implement a monitoring and reporting framework (see [Module 7. Monitoring](#)) based on livelihood indicators identified during the baseline stage with some supplemental indicators if required:

- Develop indicators for internal monitoring (by project and resettlement team) and indicators for external monitoring (by independent third parties).
- Ensure the monitoring indicators include specific indicators for women and vulnerable groups.
- Define frequency of all monitoring efforts.
- Conduct internal review of livelihood-restoration programs and make provision for independent mid-term and final assessment of livelihood programs; initiate changes to programs to improve effectiveness as warranted.
- Prepare and disclose regular monitoring reports to keep affected communities and interested stakeholders informed about livelihood-restoration progress.
- Engage independent specialists to conduct a resettlement completion audit with an assessment of livelihood-restoration outcomes as an important component.

V. Addressing Land-Based Livelihoods

V.A. Land for Land

IFC PS5 prescribes as follows:

“For persons whose livelihoods are land-based, replacement land that has a combination of productive potential, locational advantages, and other factors at least equivalent to that being lost should be offered as a matter of priority.”

Where there is abundant, vacant, and suitable agricultural land, the most straightforward livelihood strategy is full land-for-land replacement. Unfortunately, in many parts of the world, unused agricultural land is increasingly rare. Often a project must accept land smaller in area than what is required for full replacement, or that has a less convenient location, or that needs improvement to achieve productivity restoration. In such cases, resettlement planners will need to assess alternative strategies. Strategies that involve agricultural intensification or introduction of new crops or production techniques are usually a much higher risk and require greater project investment in agricultural support over a longer duration (i.e., higher budgets).

The project could screen out households that do not need land-for-land replacement. These would be households whose incomes are not land based, those who have an aptitude to be trained for permanent wage employment, or those that can demonstrate sustainable access to land or other livelihoods (such as fishing or an artisanal activity) outside of the project footprint, so that they need less or no replacement land. The project might provide agricultural training to help households improve productivity to offset the challenge of cultivating a smaller area (this is addressed in further detail in section [V.C. Agricultural Intensification](#) of this module). The project could provide sustained agricultural training and support to effect changes in agricultural practice—such as converting swidden farmers to fixed agriculture—or provide training as well as inputs and equipment to dryland farmers to enable use of irrigation systems.

Land-for-land replacement can be achieved by (i) individual households securing their own replacement land by paying for it from the compensation received, with the project and local authorities in a facilitating role rather than intervening directly, or (ii) the project securing replacement agricultural land sites or individual plots, which are then allocated to displaced households.

The first of these two options has the advantage of less disruption to usual land markets and/or land allocation mechanisms, particularly where these are based on customary processes and administered by traditional land chiefs. It may be slower in attaining the desired outcome, and more attention will need to be paid to the most vulnerable, who may be left behind in the process.

Typical steps for selecting a suitable replacement agricultural area are listed in box 5.5. The site selection must involve agricultural specialists to assess the suitability of the land for replacement agricultural purposes and specify any site preparation requirements (such as vegetation clearing, deep plowing, or initial fertilization). As far as possible, replacement sites should be unoccupied. If there are existing dwellings and uses, it is important that compensation for loss of these assets can be readily integrated into the RAP and replacement land-use plan. Displaced households and host communities should be closely consulted and participate fully throughout the site selection process, especially during these steps:

- Determining site selection criteria
- Evaluating and visiting alternative sites and expressing preferences
- Selecting the preferred site or sites

Host communities and/or host landowners should be consulted about their willingness to accept resettlers and be kept informed about site selection progress.

The final site selection is inevitably a trade-off among multiple factors. Sometimes displaced communities may be unable to reach agreement on a single site. One group committed to agriculture may prefer a relatively remote site that offers

Box 5.5. Steps in Identifying Replacement Agricultural Land

Consider the following when determining how much and what kind of replacement agricultural area is required:

- Number of households to be displaced
- The agricultural and/or grazing area required for food sufficiency for an average household in an average year, using conservative assumptions about agricultural practices—make provision for fallow, if this is part of normal agricultural practices
- Addition of any common or natural resource areas needed for activities: pasture and grazing, foraging and gathering firewood, access to fishing or hunting area, housing or settlement sites, and so forth
- Different uses of the land by men and women

Define site selection criteria with affected communities and work with local governments to develop a long list of potentially suitable sites. Assess the strengths and weaknesses of each site and develop a short list of three to four preferred sites.

Consult with any host communities and ascertain their willingness to accept displaced people. Present the short-listed options to the affected community or households and discuss the strengths and weaknesses of each site, conduct site visits, and agree on a preferred site. Finally, carry out detailed site investigations (land tenure investigations and title searches, soil sampling and mapping, water supply investigations) to confirm the suitability of the preferred site(s).

better agricultural potential, while another prefers a site close to the project with the potential for jobs, enterprise development, or letting of houses to project workers. In such cases, it may be preferable to select two sites rather than push for a consensus on one. It is critical that displaced communities be given reasonable time to reach a consensus on the preferred site or sites and that their final decision be captured in an MoU with the project or in the final RAP.

The project might be exposed to land speculation activity during the replacement land selection process. Often it is necessary to be circumspect during potential site inspections and to move rapidly to secure rights to replacement sites once a decision on a preferred site or sites has been reached. Depending on the scale of a project and the prevailing land tenure regime, it may be possible to do one of the following:

- Enter into an option-to-purchase agreement with the owner(s) of the preferred site to reserve the site while detailed site investigations are undertaken or to cover the period until a project decision to proceed is reached.

- Request the government put in place a moratorium on land transactions, rezoning, and development approvals ahead of major project execution.
- Declare a specific cutoff date for replacement land and undertake a census and asset inventory of the replacement area.
- Incorporate replacement agricultural areas in the areas covered by cutoff date announcements (rarely possible, however, due to timing issues).

V.B. Reestablishing Subsistence Production and Food Security

For households reliant on subsistence production, the initial focus of livelihood programs should be on reestablishing food security using proven, low-risk production systems and crops familiar to the displaced population. The limiting factor in improving farm livelihoods may be the capacity of farmers to accept change in their agricultural practices, which may be driven by the minimization of risk rather than the maximization of production.

Assumptions about yields that can be achieved should remain conservative. No significantly new sophisticated techniques should be sought (e.g., no large-scale irrigation systems where this would be new, no hybrid varieties, no new mechanization, no use of sophisticated pest control techniques, etc.). Advisable technical improvements will usually be limited in scope (but effects may be critical) and should avoid innovations that may be difficult to introduce and integrate with traditional production systems. They typically include the following:

- Better integration of agriculture and animal husbandry to mobilize organic fertilization, including, for example, introducing a few zero-grazing animals and better animal sheds to recover organic matter generated by animals
- Improved local plant varieties (no hybrids), usually with slightly shorter cycles to improve drought resilience and reduce water needs, a better grain-to-straw ratio, or better resilience to diseases and pests
- Possible introduction of animal traction where labor is mostly manual and traction animals are available
- Introduction of *conservation agriculture* techniques: Conservation agriculture is a widely adopted concept in both developed and developing countries. It is particularly suited to traditional farmers with limited capacity to mechanize soil preparation. It is a set of soil management practices that minimize the disruption of the soil's structure, composition, and natural biodiversity. Despite high variability in the types of crops grown and specific management regimes, all forms of conservation agriculture share core principles:

- Maintenance of permanent or semipermanent soil cover, using either a previous crop residue or purposely growing a cover crop, such as nitrogen-fixing plant species
- Minimum soil disturbance through tillage (just enough to get the seed into the ground) and avoidance of plowing
- Regular crop rotations to help combat the various biotic constraints
- Utilization of green manures, avoidance of burning of crop residues, integrated disease and pest management, and limited mechanical traffic over agricultural soils where possible
- Reduction in fossil fuel use with associated economic and environmental benefits, which is a major advantage

Once basic food production systems are reestablished and self-subsistence is achieved on the replacement land, the project can look at augmenting household production with components that diversify household production and introduce cash income.

V.C. Agricultural Intensification

If there is insufficient land for full land-for-land replacement, the project sponsor will need to look at methods for intensifying agricultural production on a reduced land area. Agricultural intensification may involve some or all the following:

- Shift to sedentary agriculture from shifting or swidden methods
- Introduction of mechanization
- Consolidation of plots to facilitate mechanization and economies of scale
- Greater use of agricultural inputs: fertilizers, herbicides, and pesticides
- Shift from rainfed to irrigated agriculture
- Introduction of greenhouses
- Introduction of hydroponic growing methods
- Introduction or intensification of animal husbandry: for example, use of artificial insemination, improved livestock breeds, and/or supplementary feeding

Agricultural intensification should not be undertaken lightly. It will involve longer and more intensive training and assistance for displaced farmers, and also entails higher risks of setbacks or failures. There are always reasons why agricultural systems are extensive, and changing to more intensive ones is a long and difficult path (see box 5.6).

Box 5.6. Why Are Agricultural Systems Often Extensive and Why Is It Difficult to Intensify Agriculture?

Farmers the world over are risk averse. Traditional agricultural systems have been based, sometimes for centuries, on minimizing risks rather than maximizing production. For example, in some relatively dry areas of West Africa where most agricultural work is done manually, farmers will sow more land than they are able to weed. It seems to make little sense at first, but it allows the farmers to check the areas of their fields where the young plants have grown best and weed those only, as manual weeding is the most labor-intensive operation. Similarly, slash-and-burn systems seem to contradict “modern” agronomic science for a whole range of reasons, but they are (or rather were when land was largely available) a proven risk avoidance strategy in the social settings where they are practiced.

Risk aversion makes intensification difficult. Farmers know that by intensifying they will be more exposed. They have spent more in agricultural inputs and sometimes in labor and are therefore more vulnerable to economic hardship if drought or pest attacks occur and the crop fails, while in an extensive system, farming cash expenses are close to nil, and they would only lose the value of their own labor.

Other factors also make intensification difficult:

- Low educational levels that make it difficult for farmers to conceptualize the advantages of new agricultural techniques
- Poorly understood economic or social indirect effects of intensification: for example, slash-and-burn systems in West Africa typically allow herders to use fallow land or regrow grass after fire
- Poorly understood agronomic effects of intensification: for example, introducing plowing into systems that were based on direct sowing may accelerate soil erosion and mineralization of organic matter
- Beliefs or cultural values associated with certain agricultural practices or certain crops,^a which are important to understand before engaging into intensification activities
- The “my grandfather and my father did that and there is no reason I should change” attitude

This is why attempts to intensify must be carefully studied, with qualified and experienced agronomists and social scientists looking into all technical, economic, social, and cultural implications of the changes. Pilots are also useful to refine techniques and provide a demonstration example and basis for training.

^a Rice and various tubers such as yam and taro are typical of crops that are believed to have a “soul” in some cultures. Sometimes certain crops are associated with a particular gender and should not be cultivated by the other. Similarly, sacrifices or other rituals may be associated with certain cropping activities such as sowing, weeding, harvesting, threshing, or pounding. Understand whether these underlying cultural values may affect willingness to accept or resist change.

This handbook is not intended to provide detailed technical guidance on these approaches. Guidance should be obtained from sources such as local agronomic research institutes, the United Nations Food and Agriculture Organization, and local agricultural development initiatives carried out by governments or NGOs. Such advice should be locally specific. In the context of resettlement, failure is not an option, and project schedules do not allow for specific research and lengthy trials. Only proven techniques and practices should be used, with the involvement of experienced specialists and organizations. Where possible, pilot trials over one to three years are advisable before crops or techniques are scaled up for the affected population. There are no miracles in agriculture: a slash-and-burn farmer or a transhumant herder will not instantly turn into a high-tech drip-irrigation farmer simply because the technology works elsewhere.

V.D. Small-Scale Gardening

Small-scale gardening is often an effective way to diversify and improve food sources, provide an alternative to seasonal out-migration during the dry season when the main crops are already harvested, and improve livelihoods and cash incomes. This is often particularly beneficial to groups such as women and youth.

Key factors to consider prior to promoting small-scale gardening are presented in table 5.1.



Table 5.1. Factors to Consider in Small-Scale Gardening

LAND	Is land with the right potential available (soils and land capability, security)? Is it accessible? Can it be protected from animal intrusion and theft? Is it safe for both men and women to work there? Should it be fenced? Is it free from other uses or will it require secondary displacement? Should it be acquired and compensated for? Do new access roads need to be constructed?
TECHNICAL CONSIDERATIONS	Does the soil need improvement? Is water available at the site during the whole period when gardening will be conducted? If not, can it be made available (drilled or hand-dug wells, pumping) at a reasonable and sustainable cost of investment and operation? Can ongoing maintenance costs be sustainably covered? How will watering or small-scale irrigation be conducted? What crops should be selected, considering factors such as the agricultural calendar; nutritional benefits; availability of seeds, seedlings, fertilizer, pesticides, irrigation equipment, and other inputs; technical and social acceptability; and availability of a market if the harvest is to be sold?
TECHNICAL CONSIDERATIONS	What cultivation techniques will be employed: for example, soil preparation, fertilization, nurseries and transplanting, weeding, and so forth? Is there potential for integration with animal husbandry to provide organic fertilization? What calendar will be followed, considering both farming and marketing opportunities and constraints?
ORGANIZATION	Who will benefit: individuals, whole communities, groups of certain categories of residents? Are people willing and able to organize collective tasks such as clearing, fencing, and providing for the cost of collective infrastructure and irrigation pumping (if applicable)? Are they willing to farm some plots in common to accommodate collective expenses, or do they prefer to contribute in cash? Is there sufficient management capacity? Does it need to be strengthened? Should the organization of producers be registered? If so, under what status? Is there potential for linking with project workforce catering? Are there specific quality, quantity, and sanitary requirements applicable to food used for project catering? Will local producers be able to meet these in reasonable conditions? If not, can some standards be lowered to allow for more local procurement without jeopardizing food safety or overall food procurement? What happens when construction is finished and workers are demobilized?
IMPLEMENTATION	Are there implementation partners with successful experience in organizing small-scale gardening? Do these implementation partners know how to address gender issues in undertaking this work? What is the desirable duration of support? Can local trainers be identified and trained? What is the exit strategy when support stops? Is there a government agency with the ability to take over some support and monitoring?

V.E. Addressing Postharvest Losses through Improved Handling and Storage

V.E.i. Loss prevention

In most developing and emerging economies, postharvest losses are in the range of 10–20 percent and may account for up to 40 percent. Losses are mainly caused by insects, rodents, mold and other microorganisms, and technological deficiencies when separating grain from husks. Vegetables and fruits are particularly sensitive, but significant losses can also affect grains and tubers.

The minimization of postharvest losses should be considered as an aspect of improving agricultural productivity. Improvements to drying are usually straightforward and effective (although losses—caused by birds and rodents particularly—can occur during the drying process itself). Improving storage is usually more complex, as several factors come into play. Small-scale elevated storage facilities and the use of bags typically have good potential, but possibilities of improvement will always be context specific and, again, this should be studied by experienced specialists. Costly or unproven technologies should be avoided.

V.E.ii. Value chain

Where fruits and vegetables are introduced, the whole value chain should be considered, as these items are usually intended mainly for sales. Areas to examine include storage, transport and marketing, and associated organizational and technical constraints.

V.F. Animal Husbandry

Similar to gardening, small-scale animal husbandry has good potential to support the diversification of livelihood and income streams. Poultry for egg or meat production is usually a preferred option, as it entails limited investment and can build on existing practices. In Asia, practices that combine duck raising with aquaculture have also succeeded. Goat and cattle fattening for dairy or meat and putting aside a few animals in a zero-grazing system are also popular for the same reasons and have been reasonably successful in countries where they are part of national rural development policies (e.g., Rwanda). Zero-grazing allows easy collection of organic matter as a fertilizer, which can improve agriculture, particularly where market gardening is concurrently introduced. However, certain precautions and factors must be considered (see table 5.2). Also see IFC's "Good Practice Note on Improving Animal Welfare in Livestock Operations."³⁴

³⁴ IFC. 2014. *Good Practice Note: Improving Animal Welfare in Livestock Operations*. Washington, DC: IFC. www.ifc.org/GPN-AnimalWelfare.

Table 5.2. Factors to Consider in Poultry, Goat, and Cattle Fattening and Zero-Grazing

CHOICE OF SPECIES AND BREEDS	<p>Use local species and breeds to the extent possible, as they are usually more resilient to morbidity and better adapted to climatic and other local conditions.</p> <p>Where practical and proven, cross existing breeds with improved stock to benefit from improved productivity without losing the resilience of the local stock. For cattle, where the organizational, technical, and economic environment is conducive, artificial insemination of local stock with imported semen can yield interesting results.</p> <p>Avoid species and breeds that are unknown locally or unproven at the national level.</p>
ANIMAL HOUSING	<p>Give preference to low-cost systems.</p> <p>Use specialist experience to design animal pens, taking particular care for morbidity risks, cleaning, and collection of waste.</p> <p>Consider and prevent intrusion of predators such as foxes, raptors, or snakes.</p>
ANIMAL FEED	<p>Are there permanent and cheap sources of animal feed locally? What are the risks of a shortage of animal feed? Can animal feed be purchased without jeopardizing the sustainability of the venture?</p> <p>If new crops are required to feed animals, are these technically acceptable and economically sound in the local context?</p>
DISEASES	<p>Assess the capacity of local veterinarian services to deliver animal-health-related services, including immunization, prevention advice, and curative care.</p>
ORGANIZATION	<p>Who will benefit: individuals, whole communities, subgroups of the community?</p> <p>If the activity requires some tasks to be done collectively (such as building sheds), are people able and willing to organize for such? Will women benefit?</p> <p>Is there sufficient technical and management capacity available? Should it be improved?</p> <p>Should the organization of producers be registered? Under what status?</p> <p>Is there potential in a link with project worker catering? Are there specific quality, quantity, and sanitary requirements applicable to meat, milk, and eggs used for worker catering? Will local producers be able to meet these in reasonable conditions? If not, can some standards be lowered to allow for more local procurement without jeopardizing food safety? What happens when construction is finished and workers are demobilized?</p>

(Table continued on next page)

Table 5.2. (Continued)

MARKETING	<p>Is there a market for the produce? Is it accessible to local producers? What is the competition? Are there acceptable slaughterhouses?</p> <p>Is a specific form of organization required or desirable to access the market?</p>
IMPLEMENTATION	<p>Are there implementation partners with successful experience in organizing and implementing livestock production systems?</p> <p>What is the desirable duration of support? Can local trainers be identified and trained?</p> <p>What is the exit strategy when support stops? Is there a government agency with the ability to assume responsibility of some support and monitoring?</p>

V.G. Agricultural Insurance

Agriculture is an inherently risky venture, and significant crop losses are always possible, even in mature agricultural landscapes. In many parts of the world, the onset of climate change is exacerbating the risk of unseasonal or extreme weather that can adversely affect farmer yields or livestock production. Resettled farmers who are establishing agriculture in new areas or using new or improved varieties are particularly at risk.

Where resettlement livelihood schemes promote credit assistance for the use of higher value inputs (e.g., improved seed, fertilizer, and chemicals), project-affected farmers can be encouraged to buy crop, livestock, or fisheries insurance, where this is available (see table 5.3). Where a farmer is reliant on credit or making an unfamiliar investment in livestock, improved seed, or fertilizer, they can be left irrevocably worse off if they experience crop or livestock losses. Some governments and agricultural credit providers offer subsidized insurance programs.

Table 5.3. Examples of Agricultural Insurance

INSURANCE TYPE	TYPICAL COVERAGE
Crop	Period from seeding until harvest Loss from natural calamities, plant diseases, or pest infestations or accidental fire Cover for cost of inputs, value of farmer’s labor (including household members), labor of hired workers, and proportion of expected yield
Livestock	Death from disease, accidental drowning, strangulation, or snakebite Additional cover for loss due to fire, lightning, typhoon, or floods
Poultry	Catastrophic loss due to disease or epidemic (subject to birds having been vaccinated or inoculated)
Fisheries	Period from stocking up to harvest Loss of stock due to natural calamities Cover for cost of production inputs and value of labor

Source: Adapted from Food and Fertilizer Technology Center for Asian and Pacific Region website, <http://ap.fftc.agnet.org>.

VI. Effective Non-Land-Based Livelihood Improvement Strategies

Livelihood improvement strategies that are not based on land and agriculture can include access to project and other employment, nonagricultural income-generating activities, and support for the establishment and operation of small businesses associated with project procurement.

VI.A. Access to Project Employment

VI.A.i. Challenges

Project sponsors and contractors must anticipate the challenges associated with employing PAPs who may have limited exposure to wage-based employment and no exposure to large construction projects, particularly in terms of occupational health and safety. Even for those who gain employment and work well, there are challenges. For example, for most projects, employment opportunities are

numerous during the construction phase and fewer (or even nonexistent) in operations. The transition from construction to operations is difficult and may result in social tensions. Other challenges include the following:

- Mismanaged expectations (“everybody will get a job”), sometimes fueled by poor project communication or employment procedures, which result in frustration and anger when affected persons realize that not everybody actually gets a job
- Poor communications around and understanding of the screening and recruitment procedures, which can cause frustration for those screened out
- Failure to consider ways to provide solid opportunities for women, including in nontraditional roles, because of the culture factor and therefore discrimination against women in recruitment
- Misunderstanding the required job skills: for example, persons with a light vehicle driving license mistakenly thinking they can drive a 150-ton mine dumper
- Unfamiliarity with work discipline and regular hours, productivity lower than seasoned construction workers, and lack of familiarity with administrative aspects such as wage slips, allowances, and employer tax deductions
- Failing employment screening tests: large contractors will typically undertake preemployment screening to test hearing, eyesight, literacy, presence of infectious diseases (e.g., tuberculosis), and drug and alcohol status. Many job applicants may fail such screenings,³⁵ which can make it difficult to recruit significant numbers of PAPs.³⁶

VI.A.ii. Benefits

If properly managed, employment has the potential to be the first benefit of a project to neighboring communities and the one that is most expected by stakeholders in countries where poverty and unemployment are widespread and job opportunities scarce. Employment can achieve the following benefits:

- Provide a regular source of cash income.
- Integrate workers in the cash economy.
- Allow workers to benefit from social security systems or pensions.

³⁵ It is important that failed job candidates be provided with access to treatment (e.g., opportunity to buy glasses, obtain medication for tuberculosis, or be sensitized about substance abuse issues and, once treated, be given the opportunity to reapply).

³⁶ In a project in West Africa, a large number of young applicants failed the cannabis test. However, testing positive does not necessarily denote frequent and recent consumption (which these youth could not afford), because the active substance in cannabis (THC) is detectable for a long time after consumption. Significant frustration occurred (resulting in site blockages) when young people that denied frequent consumption realized that they had failed the test and would not be employed.

- Provide opportunities for training and skill enhancement.
- Help create gender equality in families and communities that can bring economic and social benefits to both.
- Reduce the risk of GBV.
- Create a sense of common objectives between the project and affected communities.

VI.A.iii. Employment preparation

For direct and indirect project employment approaches to succeed, it is essential to provide training, mentoring, and support. Where affected communities have limited understanding of project employment requirements or low educational attainment, the project sponsor should help affected persons improve their chances of being employed by creating early awareness on these topics:

- Project organizational arrangements (who is who among sponsors and contractors) and project workforce needs, including types of positions, locations, and the duration of the different phases
- Management of expectations and clarity that not everyone will be employed; the project has certain needs and will put in place selection processes
- Literacy, numeracy, and language training
- Capacities of women and business, including community benefits of employing women
- Workplace rules and disciplinary procedures: working hours, hierarchy, assessments, violations, and so on
- Awareness of recruitment procedures: including processing of applications; health, drug and alcohol screening; and the like
- Essentials of health and safety for both men and women
- Environmental management principles
- Skills required for the project, including the fact that some or many skills needed may not be available in the affected communities
- GMs available to communities and workers
- Rules of conduct, such as zero tolerance for harassment, including sexual harassment and bullying, and sexual exploitation and abuse

Awareness can be achieved through community meetings, workshops, and focus groups with community representatives, including youth and women.

VI.A.iv. Identification of key employment needs

As part of the ESIA or RAP baseline surveys, the project should identify the skills among affected persons and key employment categories where affected persons may be able to find jobs (see [Module 4. VII. Livelihood Baseline Research and Surveys](#)). Assessing the skills base requires that some questions about degrees, professional qualifications, experience, artisanal and vocational training, and so forth be asked of affected household heads. These pertain to the qualifications of all working-age household members at the time of the socioeconomic or livelihood baseline surveys (see [Module 4. VI.B. Quantitative Surveys](#) and [VII.H. Skills Base](#)).

The project should assess the jobs needed during construction and operations and understand how the project workforce needs will be filled. For the construction phase, project sponsors need to encourage contractors to develop precise breakdowns and establish accurate estimates of the number of unskilled and semiskilled jobs that can be offered to affected persons. A gender breakdown of jobs and gender targets should also be established, and efforts should be made to ensure that access to these jobs and targets are not thwarted by cultural factors. Good practice includes planning ahead and developing vocational training programs to provide skill training for local communities to enhance their chances for employment.

VI.A.v. Development of recruitment procedures

Recruitment procedures can lead to confusion and community discontent. There is no universal approach, and procedures will be highly context specific. Projects are often insufficiently prepared, and procedures may not be effectively implemented. Procedures for recruitment of affected persons into project employment should comply with requirements of IFC PS2 and address these questions:

- How and where can people apply (project employment centers, national employment agency, community liaison personnel, or other option)?
- What screening tests will be used, and how can people be helped to cope with rejection (see section [VI.A.i. Challenges](#) of this module)?
- How does the project identify beneficiaries (for project-related benefits such as employment) and eligibility criteria?
- Are all affected persons eligible, or just one individual per affected household? In the latter case, will elderly households be able to allocate their employment entitlement to another extended family member?
- How does the project address unaffected persons staying in affected communities?

- How will residency in a community be verified: project census or other criteria, including verification by local chiefs?
- Is eligibility for a job permanent or for a given duration?
- How are jobs distributed among different communities: quota by communities or other method?
- How can women and vulnerable groups access jobs?
- How are jobs distributed within each community: lottery or other method?
- How will contractors comply with the project's local recruitment procedures?

VI.B. Education, Training, and Scholarships

Allocating scholarships to students from affected households in primary, secondary, higher, or vocational training provides effective and relatively inexpensive benefits to communities, individuals, and the project.

- From a livelihood-restoration perspective, it enhances the employability of those receiving training.
- It generates a sense of pride and enhances community goodwill toward the project and its sponsor.
- It can help with the training of future employees.
- It can help promote inclusion of women and vulnerable groups in the economy.

The number and type of scholarships should be adapted to the context. Scholarships should cover a significant part (but not necessarily all) of the education expenses incurred, including tuition and accommodation, where applicable. Criteria for eligibility and award of scholarships should be transparent and fair. Criteria should also be adapted to ensure women and vulnerable groups have equal chances of success in securing scholarships. Authorities and communities should be consulted about how scholarships will be awarded and about monitoring measures to avoid misuse. Part of the scholarship might be paid directly to the educational institution. Managing scholarships and mentoring beneficiaries can be onerous and are often best achieved by using a suitably experienced implementing partner, such as a development NGO specializing in education. See box 5.7 for an example of a scholarship program.

Vocational training programs, particularly when they are initiated significantly prior to the start of construction, can provide opportunities to affected communities, and, when properly designed, for women in nontraditional positions. Successful examples include training women as operators of large mining trucks as stevedores in commercial ports, and villagers starting in unskilled work and being elevated to supervisors.

Box 5.7. Vishnugad-Pipalkoti Hydropower Project, Uttar-Akhand, India: Long-Term Investment in General and Vocational Education and Scholarships

The Vishnugad-Pipalkoti hydropower scheme is being built by a public power company, THDC India Limited, on the Alaknanda River in the Himalayan state of Uttarakhand, India, with support from the World Bank. Although the project is a run-of-river scheme, about 558 households were affected by potential impacts during construction (acquisition of private land), and 155 are being relocated.

Within its livelihood-restoration efforts, the project embarked on various training programs that included the following:

- Scholarships for primary and secondary education, with three target groups: affected households, meritorious students, and children with a vulnerable background, with about 1,150 children benefiting
- Vocational training in electricity, plumbing, masonry, operation of heavy equipment, and so on in existing training and educational institutions, with about 60 young people from affected households benefiting
- Specific training activities for affected women, including training in producing clothes (knitting and tailoring), dairy promotion, backyard poultry, and agriculture activities, with about 250 women benefiting

See photos in this box for examples.

Also noteworthy is the fact that the project is on a very popular pilgrimage route, and affected persons are being encouraged to utilize their resettlement and rehabilitation grants for pilgrim hospitality by providing clean and safe accommodations and management of this activity.



Young people from the affected area being trained as electricians.



Young man from an affected household being trained as an excavator operator.

(Box continued on next page)

Box 5.7. (Continued)



A female student supported by the project's scholarship program receives her certificate.



A woman from an affected household being trained in knitting.

VI.C. Enterprise-Based Livelihoods

VI.C.i. Project opportunities

Projects typically provide numerous opportunities for local procurement in which PAPs can benefit if the right conditions are in place and there is a strategy to establish and enhance links between local enterprises and project procurement (see table 5.4), including preferential sourcing from local suppliers.



Table 5.4. Factors to Consider in Project Procurement from Local Enterprises

Identifying local content areas	<p>Identify areas within the project company that have potential for local procurement involving PAPs, including, for example, catering, cleaning offices and accommodation, building maintenance, small construction works, information technology (IT) services, transportation, security, landscaping, waste management, and community liaison.</p> <p>Work with contractors (and their subcontractors, if needed) to identify areas where there is potential for local procurement.</p> <p>Define quantitative objectives (in terms of value of local procurement per year) based on the PAPs' skills, information on which was collected at the baseline stage.</p> <p>Have these objectives sanctioned by project senior management and ensure that associated instructions are given to the procurement department within the project or company.</p>
Identifying local content areas (continued)	<p>Ensure procurement personnel and contractors understand the importance of and how to apply gender equality.</p>
Strengthening existing local businesses and supporting the emergence of new businesses	<p><i>Existing businesses</i></p> <p>Provide preliminary awareness of project procurement needs and requirements, and ensure this information is made accessible to both male and female business owners.</p> <p>Provide management, technical, and administrative training, particularly in areas needed to meet project requirements (e.g., labor standards; health, safety, and the environment, including environmental management).</p> <p>Provide support in establishing commercial, technical, and financial offers to the project or its contractors.</p> <p>Establish links with larger contractors hired by the project.</p> <p>Facilitate links with existing national or regional business support agencies and business organizations, such as chambers of commerce.</p> <p>Facilitate links with NGOs and donors working in the area of small and medium enterprise support, especially for working with women and vulnerable groups.</p> <p>Facilitate links with financial institutions, such as commercial banks and microfinance lenders.</p> <p>Encourage the recruitment of PAPs, possibly through a positive discrimination system, such as a partly subsidized position, if it is legally permissible in the jurisdiction.</p> <p>Use project leverage where such exists, via banks, national government agencies, and contractors.</p>

(Table continued on next page)

Table 5.4. (Continued)

Strengthening existing local businesses and supporting the emergence of new businesses	<p><i>New businesses</i></p> <p>Where project business needs may be satisfied by a PAP business, identify individuals or groups willing to embark on business creation.</p> <p>Provide guidance and training on business establishment (legal forms, registration, legal documentation, business planning, equipment, recruitment, etc.) until the business is established.</p> <p>Provide long-term support for women and vulnerable groups to strengthen chances of success for their new businesses.</p> <p>Monitor business activity for any issues and provide regular refreshment training.</p> <p>Implement points listed under <i>Existing businesses</i>.</p>
Making sure local procurement benefits PAPs	<p>Consider prioritizing enterprises managed by PAPs or employing PAPs in project procurement: give specific support in the bidding and contract implementation processes.</p> <p>Consider gender aspects of hiring: quota, priority, specific support to enterprises managed by women, and so on.</p>
Establishing project standards and terms of purchase	<p>Consider unbundling large contracts into smaller ones to allow local enterprises to compete.</p> <p>Simplify bidding procedures to accommodate the lower administrative and financial capacity of local enterprises.</p> <p>Support local enterprises to improve health and safety standards.</p> <p>Establish reasonable payment terms with an initial down payment without bond or other guarantee.</p> <p>Provide training and capacity building to local enterprises on subjects such as tender and proposal preparation; health, safety, and environmental requirements; and administrative, technical, and financial procurement requirements. Include women and vulnerable groups in this training.</p> <p>When faced with administrative issues raised by procurement departments, do not take no for an answer, and seek a reasonable compromise.</p>

VI.C.ii. Nonproject opportunities: Income-generating activities

Income-generating activities have been given considerable attention by various development organizations in most developing and emerging countries (see box 5.8). These activities can allow people to develop nonagricultural income to diversify household income sources. Many government agencies and NGOs supported by donors have developed methodologies to create income-generating activities, sometimes with specific targets for women, youth, and vulnerable people. These methodologies are usually based on the following sequence of actions:

Box 5.8. Examples of Income-Generating Activities for Developing Countries

With a little research, many income-generating activities can be identified to supplement or expand household incomes. Sometimes activities can be designed to target the project procurement needs or the needs of its employees. Examples of income-earning opportunities include the following:

- Textile and garment production, including knitting, weaving, dyeing, and tailoring
- Breeding of small animals (poultry, rabbits, guinea pigs, etc.)
- Production of mushrooms or hydroponic vegetables or fruits
- Food processing, packaging, and marketing, including production of butter and cheese, production of flour or semolina from grain or tubers, drying or canning of fruit, and production of oil
- Personal services (laundry, barbers/hair dressing, make-up)
- Transport services for goods or passengers
- Beekeeping and production of honey
- Soap and cosmetic production
- Handicrafts, including embroidery, basketwork, and jewelry
- Fish farming, production of mollusks or shrimp, drying, smoking, salting, and packaging
- Efficient stove or drum oven fabrication
- Battery charging (solar, small generators)
- E-load for mobile phones
- Purified water refilling stations
- Briquette manufacture
- Production of salt
- Digital printing
- Room rental

- Identification of activities combining economic potential, environmental sustainability, and social acceptability, based on information typically available from local development agencies, NGOs, and donors
- Consultation with economically displaced people on these activities and selection of a few preferred, viable, and sustainable activities
- Provision of functional literacy and numeracy courses
- Provision of technical courses on each of the selected activities
- Provision of long-term assistance to develop new income-generating activities for men and women, and in which men and women can work together
- Development of links to markets
- Establishment of support to groups implementing, monitoring, and evaluating these activities

VI.D. Fisheries

The creation of reservoirs in hydropower developments provides opportunities for the enhancement of fishery activities through the development of better and safer landing sites and enhancement of marketing and the cold chain. Transitioning from river fishing to lake fishing may be necessary. In Africa, it has been observed in several HPPs with large reservoirs that fishing in the reservoir tended to benefit migrants better equipped for this transition, while local fisherpeople, lacking training and support, could not benefit. This is a potential obstacle that must be assessed based on the experience of other projects in neighboring areas and managed in cooperation with local communities, fisherpeople representatives, and local authorities.

An example of activities intended to enhance fisherpeople's livelihoods is presented in box 5.9. For a more comprehensive treatment of fisheries livelihood baseline assessment and livelihoods restoration planning, reference should be made to IFC's *Good Practice Handbook: Addressing Project Impacts on Fishing-Based Livelihoods*.³⁷

Box 5.9. Compensating Fisheries and Enhancing Livelihoods in Turkey

Ceyhan Marine Terminal is the end point of the Baku-Tbilisi-Ceyhan crude oil pipeline. It comprises two sets of facilities (see first two photos in this box):

- Seven crude oil storage tanks, associated receiving and process facilities, loading lines, administration, and control buildings
- A two-and-a-half-kilometer jetty capable of berthing two tankers simultaneously



Jetty at the Ceyhan Marine terminal.



Overview of the terminal with tank farm and jetty.

(Box continued on next page)

³⁷ IFC. 2015. Addressing Project Impacts on Fishing-Based Livelihoods—A Good Practice Handbook: Baseline Assessment and Development of a Fisheries Livelihood Restoration Plan. Washington, DC: IFC. <https://commdev.org/publications/addressing-project-impacts-on-fishing-based-livelihoods-a-good-practice-handbook-baseline-assessment-and-development-of-a-fisheries-livelihood-restoration-plan/%20>

Box 5.9. (Continued)

In a context of depleting fish stocks and catches and high community expectations, the extension of the restriction areas associated with vessel maneuvering led to conflict with local fishermen. (See third and fourth photos in this box.) Local Turkish legislation was not detailed on compensation and livelihood restoration for fishermen. With advice from IFC, the project sponsor embarked on preparing a livelihood restoration plan specifically targeting affected fishermen. This included the following activities:

- Verification of the geographic extent of the impact and affected persons (household questionnaires, mapping exercise, “on-the-water” survey of fishing grounds with fishermen, consultation with other regional stakeholders—including coast guard, port authority, fish traders, village leaders, and so on—and a control group survey)
- Clarification of eligibility criteria for fishermen (holding a fishing license and residing in Gölovası Village, active participation in fishing activities as a full-time crew member, and not being involved full-time in any other activity than fishing) and declaration of cutoff date
- Baseline survey to determine household and fishing income of each affected person (literature review, consultation with stakeholders and experts, and household income surveys: 74 questions to 48 fishermen and 26 members of a control group, as well as registration of fish catches at different periods)



Fishing boats.



Fish catch.

- Calculating the impact on fishing income, using a net present value formula over the 20 years average life of a fishing boat, and excluding other income streams
- Identification of sustainable livelihood compensation packages for those who elected to stop fishing (about 20 percent of the active fishermen, proportionate to the lost fishing area due to the project marine facilities), including a social security package, health insurance, property (purchase of structures), purchase of vehicles and tractors, debt repayment, and support to the business establishment
- Compensation and implementation of livelihood-enhancement activities as well as community development activities at the community level (training, support to tourism development, etc.)

Complaints were numerous, particularly from individuals deemed not eligible, but robust catch monitoring and an effective grievance management system helped to avoid escalation.

VII. Urban Livelihoods Considerations

There is growing recognition that resettlement programs based on moving inner-city households to peri-urban locations often have a detrimental impact on household livelihoods. Such programs have proven problematic for informal dwellers, in particular. There is an emerging preference for resettlement based on rehousing people and businesses and helping them maintain or reestablish existing livelihoods within inner-city areas. Inner-city resettlement is likely to increase project acceptability to displaced families and offers more sustainable livelihood opportunities.

VII.A. Characteristics

Developing and implementing livelihood programs in an urban setting are usually far more complex than in a rural context. Contributing factors include the following:

- Urban areas tend to be administered by multiple government and municipal agencies that need to be involved in planning, approving, and implementing resettlement and livelihood programs. This can make it challenging to achieve alignment and obtain approvals, but it can also offer resources and technical support.
- Urban residents are often much more knowledgeable, resourceful, and assertive than their rural counterparts. This can be an asset when channeled through constructive participation or a liability when there is conflict or litigation.
- Urban livelihoods are far more diverse than those in rural contexts. Livelihood-restoration and enhancement measures need to be tailored to meet the needs and locational requirements or dependencies of multiple groups: salary and wage earners, business owners, retailers, informal stallholders, formal and informal service providers, artisans, home businesses, and so on.
- Urban projects can involve displacement of significant numbers of informal dwellers whose livelihoods often rely on very localized demands for services (e.g., street stallholders, pedicab drivers, domestic workers, and casual labor) or access to resources (e.g., waste for recycling).
- Land for reestablishing businesses and livelihoods is more often than not scarce, expensive, and occupied.
- Urban environments are dynamic, with multiple projects occurring simultaneously and involving complex vested interests. This can lead to opportunities and synergies for livelihood development or challenges if there is an absence of forward-looking urban planning.

VII.B. Organization

Planning and delivery of livelihood programs in an urban context often require bringing together multiple municipal agencies, community interest groups, and those displaced:

- Establish resettlement and livelihood steering and working committees with substantial PAP representation to ensure effective coordination, alignment, and information transfer among all key stakeholders, including relevant government and municipal agencies.
- Design livelihood working groups to represent the full range of livelihood interests displaced by the project: wage and salary earners, different types of businesses, informal service providers, informal and formal stallholders, artisans, transport workers, and women and youth representatives.
- Where feasible, work with existing business organizations, artisan groups, and associations that have established networks and bring detailed knowledge about their sectors and members.
- Consider utilizing suitably experienced urban-focused CSOs to broaden the reach of engagement, mobilize displaced communities and businesses, and coordinate participation.

VII.C. Factors to Consider

Critical success factors for managing urban livelihoods include the following:

- Understand the degree of impact for each type of livelihood, including whether impacts are permanent or temporary and the ease or difficulty of reestablishing the business.
- Establish a strong steering group to oversee the urban livelihood program delivery. The group should meet regularly, be informed by independent midpoint and final livelihood program monitoring, and be prepared to adapt programs in response to arising opportunities and constraints—adaptive management is critical.
- Use qualitative and quantitative baseline studies with broad engagement to gain an in-depth understanding of the formal and informal social and economic networks and resources that displaced households and businesses rely on for their livelihoods. Understand the various locational dependencies and requirements of affected households and businesses.
- Use skilled and experienced implementing partners (development NGOs and municipal or other government teams) to mobilize displaced households and businesses so they can express preferences and participate fully in all decisions about livelihood opportunities.

- Assist displaced people so they can take advantage of vocational training and livelihood programs offered by the government or other local or regional institutions. Ideally, these should result in nationally recognized qualifications or skills certification.
- Integrate urban resettlement and livelihood programs with wider municipal planning and economic strategies. For example, if a municipality is planning to develop a new market, examine ways for project-displaced formal and informal stallholders to be accommodated within those plans.
- Understand the diverse and often less visible means and networks that women use to create livelihoods.
- Where impacts are geographically extensive or occur over a protracted period, break the resettlement process, including livelihood programs, into defined stages. This results in a more focused and effective use of resettlement personnel and resources and limits the period of disruption on displaced households and business.
- Pay particular attention to meeting the needs and facilitating participation of vulnerable households, including informal dwellers.
- Understand the risks of GBV connected to changes in social and gender systems as a result of the loss of urban livelihood activities.
- Recognize that government agency and municipal budgets are typically established annually. If these bodies are to form part of project livelihood initiatives, they need time to provide a budget and resources.
- Maintain a GM that is accessible and transparent and provides timely redress.

VIII. Transitional Support for Lost Livelihoods

Transitional support should be provided as necessary to all economically displaced persons in addition to other forms of compensation, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living (PS5, paragraph 29). As the name implies, transitional support is typically provided to cover the period from the time a displaced household's original livelihood is dismantled (when they physically relocate or when their land and assets are relinquished to the project) until their new incomes start flowing or sustainable harvests are achieved from replacement agricultural lands (e.g., upon completion of the first successful crop cycle). With urban resettlement, transitional support may take the form of allowances to cover additional costs of food and transport when a displaced worker must commute.

Transitional support may be provided in the form of a cash allowance, vouchers, in-kind support, or through payment for work. For households, cash or in-kind allowances should be calculated on a per-household-member basis to account for the differing subsistence needs of large or small households. Provision should be made for inflation. Some examples of different kinds of transitional support are summarized in table 5.5. In each case, the type of support has been designed in response to the nature of the livelihood that has been affected and the period required to restore or reestablish replacement income or production.

Table 5.5. Examples of Project Transitional Support

PROJECT	TYPE OF SUPPORT	DURATION
A gas pipeline project passing through household gardens in the Papua New Guinea highlands	Monthly delivery of a food package designed to meet household nutritional needs	Six months: the period it would take a reasonably diligent household to clear forest, cultivate beds, and plant and harvest a crop of sweet potato sufficient to meet household needs
Informal stallholder displaced for trenching works in Ghana's capital, Accra	Flat-rate cash allowance meant to offset the disturbance created by the trenching work (digging, laying the water pipeline, and closing the trench)	Three months, paid in one installment
A small roadside enterprise in Azerbaijan demolished for laying of gas pipelines before construction of replacement premises could be completed	Enterprise owner was paid rent for his land and premises until replacement building was completed. Rental payment covered the owner's lost profit. Enterprise employees were employed as temporary cleaners by the project construction contractor	More than 12 months
A petrochemical project requiring rural-to-urban resettlement in China	Monthly cash allowance calculated for each household member, equivalent to the urban minimum wage	Twenty-four months: the estimated period for household members of working age to register as urban unemployed, complete skills training, apply for and obtain city jobs, or establish small businesses

IX. Other Avenues for Livelihood Restoration and Improvement

IX.A. Benefit Sharing

Benefit sharing seeks to distribute a share of project benefits back to PAPs, communities, or local governments, that is, to those that lose land and assets or otherwise bear the social and environmental costs of a project. Benefits may be monetary, such as through sharing equity, royalties, or project revenues, or nonmonetary, such as through improved infrastructure or long-term business opportunities.

Benefit sharing does not replace the need for compensation for lost individual assets and livelihood restoration, but it can be used as a means to compensate for loss of access to natural resources, with a focus on supporting sustainable, long-term livelihood improvement. Benefit sharing can contribute to a life-of-project revenue stream that can be used for ongoing improvements in the standard of living and livelihood. It can also foster trust and mutual interests between the project developer and local communities, that is, it can strengthen a community's sense of ownership in a project and the project's social license to operate.

Benefit sharing is sometimes a requirement of national law, or it may be negotiated with the project developer as part of a benefits package. Depending on the prevailing legislative regime or project agreements, monetary benefits received by a community might be retained for community development or distributed to individuals or households.

Benefit sharing mechanisms may include the following:

- *Long-term lease of land.* Land for a project is leased from communal or individual owners (rather than purchased), and owners receive ongoing lease payments for the life of the project.
- *Equity share.* PAPs or communities are granted equity in the project.
- *Direct transfers of a fraction of revenues as royalties.* Communities are granted a percentage of the revenues or royalties generated by the project.
- *Contribution to a development fund or funds.* The project contributes to a trust or development fund that can be drawn on by local government, affected communities, or individuals for prescribed purposes.
- *Levying of property taxes by local government.*

Benefits may also be nonmonetary, such as the following:

- Sponsor commitment to establish a community development fund that can be accessed by communities for socioeconomic development purposes
- Allocation of fishing rights to resettlers in a newly created reservoir or aquaculture rights within a project's marine exclusion area

- Access to improved infrastructure, enabling affected persons to utilize project roads, access health care, or receive water for domestic use or irrigation
- Preferential electricity rates or reduced water-related fees
- Preferential hiring of affected persons during project construction or operations
- Preferential opportunities for affected persons to supply services

Where benefit sharing is voluntary and not a requirement, it is good practice for project sponsors to negotiate a community agreement with affected communities. A negotiated benefits agreement has advantages because communities have some ownership over the process and can seek benefits best aligned to their needs.

IX.B. Facilitating Retirement and Pensions

Older workers affected by displacement may experience greater difficulty than others in developing replacement livelihoods. This may be due to their inability to undertake the hard labor necessary to break in new land for agriculture, or because they are considered too old for placement in wage-based employment. Older workers are also less likely to be able to take advantage of construction-based employment or training programs.

The preference is always that capable people of working age be given opportunities for productive employment, and that retirement not be forced, but under some circumstances the option for pensions or early retirement might be offered. In China, for example, it is not uncommon for resettlement plans to make provision for men over 55 years and women over 45 to be granted retirement pensions as part of livelihood compensation. In such cases, programs should meet the following criteria:

- Pensions plus compensation for loss of productive assets should be adequate for the individuals or households to maintain their previous living standard.
- Pensions must be sustainable, that is, guaranteed by the project sponsor or government implementing agency.
- The pension program should be equitable and accessible regardless of gender or ethnic background.
- Ideally, pensioners should have access to supplementary livelihood opportunities through access to land or part-time employment.

IX.C. House Rental

Several completion audits of resettlement programs have shown that resettled people may find it profitable and easy to rent out part of their resettlement house, as their new houses are often of a better standard than what is otherwise locally available. This is a simple and relatively cheap way to provide a livelihood-restoration avenue. Houses simply need to be designed to provide one or two rental rooms in addition to the resettled household's own needs. However, issues concerning the presence of outside workers in the community, such as a possible increase in social ills (e.g., sexually transmitted diseases, GBV, alcohol and drug abuse), and the loss or reduction of rental revenue upon completion of project construction, need to be discussed and addressed with affected households, community leaders, and representatives. In small communities it is not advisable to house workers in local houses. Also, in areas with the potential for tourism, renting rooms to tourists or pilgrims can provide a useful income complement.

X. Planning an Exit Strategy

Project support to reestablish livelihoods will necessarily have an end. A common challenge of livelihood-restoration programs is the significant preparation required to discontinue support.³⁸ It is advisable to prepare the exit strategy at the design stage of the program, so that all activities are planned and all communication with PAPs includes the perspective of the eventual exit. This is not as straightforward as it seems, in part because implementation partners are not necessarily keen on preparing for their own discontinuation with the project. In some cases, projects have integrated livelihood-restoration measures with social investment programs to build on the efforts already started. In a project in Peru, for example, farmers were supported to replace land and reestablish farming. Once livelihoods were restored, affected farmers were included in the master farmer program to help them diversify their crops and learn new techniques. Exit strategy considerations are presented in table 5.6.

³⁸ The issue of how to assess completion, and particularly whether livelihood restoration programs have been successful, is addressed in [Module 7. III.B.iii. Defining 'Completion'](#).

Table 5.6. Factors to Consider in the Livelihood-Restoration Exit Strategy

<p>SUSTAINABILITY OF ACTIVITIES</p>	<p>Have the activities been designed to be technically and economically sustainable: business planning, contingency plans, and adequate technologies that can be maintained locally at affordable cost, and so on?</p> <p>Do local communities have the technical, financial, and organizational capability to maintain any facility created by the livelihood-restoration program? If not, have adequate training provisions been put in place, or could local NGOs provide ongoing support as part of their programs?</p> <p>Are the activities contributing to improved gender equality and a reduction of GBV in communities?</p> <p>What happens if there is an incident: for example, an epidemic that affects livestock provided under the program, or an unanticipated technical breakdown? What is the contingency plan for managing such unforeseen events?</p> <p>Has attention been paid to transferring support for vulnerable households' livelihood initiatives to host community, local government, or other CSO?</p> <p>Has sufficient time passed since impacts occurred and have livelihood-restoration measures been initiated to be able to demonstrate sustainability?</p>
<p>TRAINING, EXTENSION, AND MONITORING</p>	<p>Is there a government agency with the capacity to continue training and extension work initiated or enhanced by the project?</p> <p>Should the project enhance the capacity of this agency: technical abilities, human and material resources, vehicles, and IT?</p> <p>Will this agency also be able to carry out monitoring tasks and provide ad hoc advice where and when needed?</p> <p>Does this agency show gender sensitivity in its work?</p> <p>If government is not present, are there NGOs with such ability? Under what budgetary conditions could they include PAPs in their normal activities?</p>
<p>COMMUNICATION AND ENGAGEMENT</p>	<p>Has it been clearly communicated to PAPs and stakeholders that the program would have an end and that support was only a temporary measure to be discontinued after a defined period?</p> <p>Has the target end-date been communicated and emphasized to PAPs and stakeholders?</p> <p>Have the objectives of self-reliance and long-term sustainability been consistently communicated to PAPs from inception through all activities?</p>

XI. Gender Considerations

Resettlement can result in significant changes between genders in terms of the livelihood burden, with women remaining responsible for certain expenses even though resources for these have been altered. Studies demonstrate that women's earnings largely go toward their families' basic needs such as food, school tuition, and clothing. Impacts to women's livelihoods can have devastating impacts for the family. This can be the case where the livelihood streams that allowed women to care for these family needs have been eliminated by the relocation, such as where those streams are associated with natural resources that are no longer accessible—salt extraction, intertidal gleaning, or NTFP gathering, for example (see box 5.10). Programs that specifically target restoring or diversifying women's incomes can be significant in improving family health and nutrition, the welfare of children, and children's participation in education.

Relocation can put an additional burden on women's livelihoods by affecting their work calendar and daily timetable, which often results in unavoidable stress. Strains can result from settling the new household, establishing new routines, breaking in new fields, and gathering fuelwood or water in unfamiliar settings. Women might lose social networks for child minding or will “lose” a partner employed by the project or engaged in a time-consuming new livelihood. If women are unable to carry out their normal responsibilities to care for children or complete household chores, they may be at increased risk of domestic violence.

The livelihood-restoration activities proposed for women must take these constraints into consideration. Experience indicates that, in many cultures, women's groups can be cohesive around a common objective and are effective in implementing activities that require collective management. Women tend to manage collective property better than men, and risks of embezzlement are often lower. Women's microsavings and microcredit groups often work well, as collective discipline and compliance with rules are often better than in men's groups. When presenting income-generating activities, scholarship availability, employability enhancement, or small business support, women's groups success stories can be a useful catalyst for the whole community, including men. There are several examples of men applying to join successful women's groups.

Box 5.10. Gender-Specific Priorities for Livelihood Restoration: An Example from Northern Russia

In an extractive project in northern Russia, when asked what should drive the selection of a resettlement site, women older than 60 years almost unanimously mentioned access to forests for berry picking and mushroom gathering as their key criterion, while men were interested in proximity to project employment opportunities. This is because in this area women older than 60 years tend to be widows with limited pensions and must complement their pensions with additional cash income, which gathering, preparing, and canning berries and mushrooms can provide. This livelihood stream was critical to women.

XII. Duration of Livelihood Support

XII.A. Duration of Transitional Support

As detailed in section [X. Planning an Exit Strategy](#) of this module, it must be made clear up front to all stakeholders, including the affected persons, that livelihood support will have an end.

The duration of transitional support must be assessed on a case-by-case basis (see also section [VIII. Transitional Support for Lost Livelihoods](#) of this module). For wage-based employees in urban resettlement, sometimes, it may be sufficient to cover a few days or weeks of downtime during the moving period. Support may need to be extended to cover initial difficulties with transport from the resettlement site to places of employment. For rural farmers, one or two crop cycles may need to be covered.

XII.B. Duration of Livelihood Programs

This is again very context specific. Often, livelihood-restoration programs need to be extended, as objectives are not met within the anticipated period. While rules of thumb inevitably do not fit all contexts, land-based programs often need an implementation period of three years, at a minimum, and more time may be needed where changes in practices (intensification, irrigation) are required and in order to demonstrate sustainability.

XII.C. Follow-up Support for Those Needing Additional Time

Some people may take more time to adapt. Completion audits often find that a sizable proportion of households have not reestablished their livelihoods within the anticipated period. However, when this is identified only at the completion audit, it is often already too late, implementation partners have been demobilized, and the cost of supporting these households becomes higher. Regular monitoring (see [Module 7. Monitoring](#)) well ahead of the completion audit (see [Module 7. III.B. Completion Audit](#)) should help identify households that struggle, and timely supplemental support should be provided.

XIII. Do's and Don'ts

The livelihood do's and don'ts are summarized in table 5.7.

Table 5.7. The Do's and Don'ts of Livelihood Restoration

DO'S	DON'TS
<p>Create links with government and nongovernmental initiatives that target the same groups, the same area, and similar activities.</p> <p>Create links with the project procurement needs.</p> <p>Create links with the project community development strategy.</p> <p>Adopt an individualized approach to livelihood restoration, particularly where numbers of affected persons are small.</p> <p>Develop a sound exit strategy during the planning stage and communicate up front that the transition support will have an end.</p> <p>Start early, possibly even before the displacement takes place, to test methods and win goodwill.</p> <p>Define completion objectives clearly per the RAP.</p> <p>Look at gender implications of proposed livelihood-restoration activities.</p> <p>Conduct ongoing monitoring to be able to redirect efforts if needed.</p>	<p>Work in isolation from other, similar initiatives.</p> <p>Use unproven techniques.</p> <p>Expect traditional subsistence farmers to quickly embrace new techniques or completely change their activity.</p> <p>Expect results over a short period of time.</p> <p>Miss the increase in risks entailed by more intensive activities.</p> <p>Miss gender-specific livelihood streams and provide only for the training and support needs of affected males.</p> <p>Miss assessing livelihoods that might be affected beyond the project footprint.</p> <p>End livelihood-restoration programs before restoration has taken place.</p> <p>Wait for the completion audit to monitor and review livelihood-restoration programs.</p>