

Factsheet: Proposed¹ Environmental and Social Standard 5:

Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

What is the proposed ESS 5 about?

When governments acquire land in connection with Bank-financed projects or when projects result in restrictions on the use of land, we need rules to make sure that people and communities are not adversely affected. In some cases, people are relocated or lose income and assets. We speak of “involuntary resettlement” when the affected people do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. In Bank-financed projects, if such displacement occurs, affected people will get compensation and resettlement assistance.

We currently have a strong policy protecting people in cases of involuntary resettlement. The proposed ESS 5 builds on this policy and clarifies its protections. The objectives of this proposed Standard are to avoid, or where unavoidable, to minimize involuntary resettlement; avoid forced eviction; and mitigate any adverse impacts through compensation and assistance. Under the proposed ESS5, borrowers would be required to consult with communities affected by resettlement. Resettlement processes would need to be transparent. Displaced persons would be assisted in their effort to restore their livelihoods and living standards and the Borrower should strive toward improving their situation. For poor and vulnerable persons who are physically displaced, an objective of the proposed ESS 5 is to improve their living conditions through provision of adequate housing, access to services and facilities, and security of tenure.

Under the proposed World Bank Environmental and Social Policy, the World Bank’s responsibilities would include reviewing the assessments conducted by the Borrower; assisting the Borrower in developing measures and actions required for the project to comply with ESS5; and agreeing with the Borrower on the measures and actions they would take over a specified time frame in the Environmental and Social Commitment Plan (ESCP). Throughout implementation, the World Bank would monitor the environmental and social performance and provide support and capacity building, as needed, in accordance with the legal agreement, including the ESCP.

What’s new?

- **Greater clarity on the scope of application:** The proposed ESS 5 would provide greater clarity on the types of land-related transactions and restrictions on land use that would need to be addressed by the Borrower. This clarity would help Borrowers better identify the situations in which the mitigation measures spelled out in the ESS would need to be put in place.
- **Greater clarity on the resettlement planning instruments:** Under the proposed ESS5, borrowers would develop a resettlement plan or livelihood restoration plan, or a combination of both, to address the adverse impacts identified through the environmental and social assessment.

¹ The content of the proposed Standard is for consultation purposes. It has not been endorsed by the Executive Directors of IBRD/IDA. The Board of Executive Directors will make the final decision on the content.

To review the proposed framework, including the full text of all ten standards, and provide feedback, please visit <http://consultations.worldbank.org/consultation/review-and-update-world-bank-safeguard-policies>

- **No forced evictions:** Borrowers would provide project-affected people with legal and other protections if they have to leave their homes or lands. Under the proposed ESS5, due process must be observed and the use of excessive force must be avoided.
- **Stronger gender perspective:** More thorough treatment of gender issues is included in the proposed ESS5, particularly in terms of consultation strategies, assessment of women's tenure rights, and the design of compensation and livelihood measures.
- **Squatter landlords cannot benefit from compensation:** The proposed ESS 5 would retain protections for affected people who may be informally occupying land. However, under the proposed ESS5, where people make money by renting multiple illegal housing on lands that they do not own, the compensation that would otherwise be available to such persons may be reduced with the prior agreement of the Bank to better reflect the objectives of this proposed ESS.
- **In situ development:** The proposed ESS 5 would create greater flexibility for the use of innovative techniques of in situ development. This would more explicitly allow project affected people in some contexts to benefit from development projects and increased property values, thus minimizing the need for involuntary resettlement.

What stays the same?

- As the current policy on Involuntary Resettlement provides strong protections, most of the policy has been integrated into this proposed Standard. The proposed ESS 5 builds upon and clarifies the existing policy provisions.