

Environment & Social Framework for IPF Operations

Good Practice Note

Managing the Risks of Projects Involving Protected and Conserved Areas

Annex VII

The following annex is part of the GPN on Managing the Risks of Projects Involving Protected and Conserved Areas. For ease of use, it will be uploaded as a separate file and will have links provided to it in the full text of the GPN, which will also be available online at the following URL:

<https://thedocs.worldbank.org/en/doc/345f6737b55b565433d838862b5d56f9-0290012026/original/pca-gpn-with-annexes-i-iii.pdf>

Annex VII. Key Elements of PCA Access Restriction and Livelihood Impact Management Instruments: Process Frameworks and Livelihood Restoration Plans

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Introduction

1. This Annex, along with Annex VIII, Terms of Reference (ToRs) for preparing a Process Framework (PF) and Annex IX, ToRs for preparing a Livelihood Restoration Plan (LRP), addresses the key planning and implementation requirements of Protected and Conserved Area (PCA) projects related to mitigating the risks and impacts to local communities' rights and livelihoods that can result from restrictions of access to land and resources (hereinafter "access restrictions" or "restrictions of access") as set out in the Environmental and Social Framework (ESF), particularly Environmental and Social Standards (ESSs) 1, 5 and 7. Paragraph 21 of ESS5 notes that the Borrower is required to prepare a plan proportionate to the risks and impacts associated with the project, and for projects that may impose changes to land use that restrict access to resources in legally designated parks or protected areas or other common property resources on which local people may depend for livelihood purposes, the plan will establish a participatory process for determining appropriate restrictions on use and set out the mitigation measures to address adverse impacts. The main instruments utilized to address this provision include PFs, discussed in Section I below, and LRPs, discussed in Section II below. These instruments should also consider the conservation objectives of the access restrictions and the sustainability of the resources of the PCA, including the livelihood uses. Where Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (IPs/SSAHUTLCs) are present, PFs and LRPs will also consider the requirements of ESS7 and may be integrated with or complemented by an Indigenous Peoples Plan (IPP)/Indigenous Peoples Planning Framework (IPPF).

2. As noted in the main text of the Good Practice Note (GPN), a PF requires certain enabling conditions to be present.¹ Determining if the enabling conditions are present requires a robust understanding of the resources and their uses, as well as an evaluation of the capacity, track record, and commitment of the parties to undertake a negotiated and shared governance approach to resource management and benefit sharing. If the enabling conditions are absent, a commitment to livelihood restoration or compensation is required through the development of an LRP (or similar action plan). If the Borrower cannot commit to a compensation and/or livelihood restoration approach consistent with ESS5, the Bank will have to consider whether the project design is viable and whether other viable alternatives or interventions are available.

3. These issues should be considered early on through the Environmental and Social Impact Assessment (ESIA) and the Bank's due diligence to determine the appropriate approach and instrument.

¹ Enabling conditions: (i) whether PCA management options that maintain, improve, or restore livelihoods can be consistent with conservation objectives, in light of the resources available within the PCA and related areas and the number and nature of stakeholders in the area; (ii) whether the Borrower has the technical capacity, regulatory framework, and political commitment to develop and enforce rules of access to the PCA in a fair and equitable manner, and in accordance with agreements reached with local stakeholders; (iii) whether applicable laws, regulations, and practices allow stakeholders to participate meaningfully in PCA management and implementation of a PF; (iv) whether legacy issues may lead to a level of distrust among the parties that does not allow for a constructive participatory decision-making process; and (v) whether initial assessments indicate that the parties are genuinely interested in and committed to reaching agreements on shared use, governance, and benefit sharing.

The ESIA or other environmental and social (E&S) assessment, carried out by the Borrower, will inform the preparation of the PF or LRP and includes a review of existing records and studies, use of experts, stakeholder mapping and consultations, surveys, and other tools, as needed, to gain as much background and baseline information as possible regarding the various user groups and/or occupants in the project areas. Achieving a solid understanding of the socio-economic, political, and institutional context can be time-consuming but will contribute to successful design and implementation of the PF and of the overall project design and activities. This preparatory work should yield confirmation of the presence of the enabling conditions for a PF, an understanding of the categories of stakeholders, a preliminary identification of the groups who need to be or could be included in the PF or LRP, an understanding of contextual factors (e.g., drought and flood risks, wildlife corridors, fire cycles), existing and anticipated migration into the PCA, any planned PCA expansion and strengthening of access restrictions (including planned resource allocation to commercial activities or other restrictive uses), the scope of expected livelihood and cultural impacts from project activities, and viable measures to mitigate and/or compensate for project impacts. While this preparatory work needs to be done early enough in the project process to allow informed decision-making and identification of the necessary mitigation measures), the preparation and implementation of the PF or LRP is likely to be an iterative process through which the specific groups who participate and the agreements on issues and solutions are likely to evolve during implementation.

Section I: Process Framework (PF)

A. Context: Objectives, Requirements and Structure of Process Frameworks

4. To address access restrictions in PCAs, ESS5, Annex 1, paragraph 1 states that the Borrower may prepare a PF to establish a process by which members of potentially affected communities participate in design of project components, in determination of measures necessary to achieve the objectives of ESS5,² and in implementation and monitoring of relevant project activities. Paragraph 32 elaborates on the key elements of a PF.

5. A PF covers participatory processes for how access restrictions and their risks and impacts will be determined, communicated, and discussed, and identifies how potential alternative livelihoods or other mitigation measures will be identified, agreed upon, and supported during preparation and particularly during implementation of the project and the PF. The PF fosters early and ongoing engagement that can help foster mutual understanding, reduce the risk of conflicts, establish clear rules for access, and enable agreements on usage and management of PCAs as well as minimize misunderstandings.

6. While ESS5 emphasizes a participatory decision-making process throughout preparation and implementation of a PF, it is important to note that its key objective is to identify measures to avoid, mitigate, and compensate for adverse impacts. A PF should therefore include provisions to document the agreed access restrictions and corresponding mitigation measures. This “plan of action” can take several forms, such as an LRP, a natural resource use agreement, and a protected area management plan. It is good practice to integrate the key elements of a PF directly into project design and activities, particularly concerning participatory management of resource use and conservation activities as well as support to alternative livelihoods and income-generating activities that are consistent with the conservation objectives of the project.

² A key objective of ESS5 is “to mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost; and (b) assisting displaced persons in their efforts to improve, or at least restore their livelihoods and living standards in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher” (ESS5, paragraph 2).

7. If the total number of project-affected persons (PAPs) or groups is very large or dispersed over a large area, and/or when the means and extent to which they use the PCA’s resources or claim rights over them are very diverse, it can be challenging to establish a meaningful participatory process that includes all the relevant groups. It may be more efficient to disaggregate different subgroups of PAPs—based on criteria such as their location, language, the nature, type, extent, and history of their dependence on, and claims to, the PCA, and their history of cooperation, conflict, or antagonism—and to prepare multiple PFs (or LRPs in cases where a PF is not prepared) to better address the needs and concerns of each group. Options would include a single PF which engages different subgroups in different ways, on different issues and to different degrees, or multiple PFs developed under an overarching set of principles, tailored to encompass the different subgroups. Projects with multiple PCAs may prepare one PF for the entire project or a PF (and/or other specific processes or plans) for each PCA based on an assessment of the most appropriate and operational approach. The decision on how to structure the PF(s) will be informed by operational considerations, particularly those related to the commonality of issues among groups, communications, and institutional coordination. Depending on the context and the nature of project activities, the PF will reference, and be prepared and implemented in tandem with, other risk management tools, such as an LRP, Resettlement Plan (RP)/Resettlement Policy Framework (RPF), IPP/IPPF, Stakeholder Engagement Plan (SEP), and security management plans and protocols. The purpose and the means to access each of these tools should be transparent and clear to all PF participants.

B. Elements of a PF

8. ESS5, Annex 1.C. lays out the contents of a PF for projects resulting in access restrictions in legally designated parks and protected areas, including the following elements:

- (a) **A description of the project context and its components or activities** that may result in new or more stringent restrictions on the use of the natural resources of one or more PCAs, and any contextual factors that might contribute to risk exacerbation or mitigation. This includes clarifying which aspects of PCA management are open to stakeholder participation, i.e., that can be discussed and negotiated through the PF process versus those which may not be negotiable due to government policy (e.g., national laws might prohibit all hunting or grazing in PCAs) or sustainability considerations.
- (b) **Determining criteria for the eligibility of affected persons:** PCAs are typically surrounded by (and in some cases occupied by) different communities and subcommunities, whose members might have differing types and degrees of rights/claims to and reliance on the PCA’s natural resources. Most often this involves hunting or fishing, direct harvesting of trees, grass, or other vegetation (for fuelwood, building materials, food, medicinal plants, etc.), or indirect harvesting such as grazing livestock on natural grasslands or watering them at natural water sources. Cultural reliance could involve sacred or ceremonial sites or burial grounds, plants used for medicine or ceremonies, totem animals, etc. Some might rely entirely on harvesting natural resources from the PCA for their sustenance, while others might do so only occasionally either as an emergency “back up” or as a source of incremental income. In the case of livestock, the herders who bring them into the PCA might be local while the owners of the herds might live in distant areas.

It is also common for the different subgroups to dispute who should have access rights, for example, if some have long historical ties to the area while others are relatively recent immigrants or have been granted access rights under more recent regimes. There may also be groups with current or historical rights or claims to the land and/or resources of the PCA with legacies of uncompensated displacement or disenfranchisement. In such cases, particular care should be taken to assess particular rights, claims, and circumstances of different groups, including the extent to which ESS7 requirements related to Free, Prior, and Informed Consent (FPIC) would apply

to such communities in the event the project might have adverse impacts on their land or natural resources, cause their physical displacement, or include actions that might undermine their cultural heritage or unresolved claims.³

Consequently, and as noted in the main text of the GPN, it is important to consider which individuals or groups adversely affected by access restrictions will take part in the participatory process under the PF and/or LRP and which will benefit from mitigation or compensation measures, such as livelihood restoration. As discussed above, affected people vary greatly in their circumstances. For example, some have customary or legal rights to access the PCA and its resources (e.g., IPs/SSAHUTLCs, pastoralists, nomadic groups, or other traditional communities) while others access the PCA illegally. Some are covered by licenses or distinct access regimes or generate large profits. Some come from the PCA's vicinity and others from further away. Some have historical ties to the PCA while others are comparatively recent migrants to the area. Some are poor or otherwise vulnerable, and some are better off. Some depend heavily on PCA resources for their subsistence or culture while others are only occasional users of PCA resources. Some are individuals, and others are organized into groups, associations, small enterprises, or large corporations. Some make infrequent and low-impact use of the PCAs' resources while others make intensive and unsustainable use of the PCA's resources using environmentally destructive methods. Some carry out activities in PCAs that constitute civil violations under national law while others engage in criminal activities, sometimes with the backing of organized criminal organizations.⁴ A review of these varied circumstances will assist in identifying which groups should take part in the PF and/or LRP process and which should receive some form of support under the project. Given the wide range of possible projects and country contexts, the Borrower should consult with adversely affected groups and propose an approach for the Bank's no-objection, informed by the circumstances of the groups affected by access restrictions, Bank policy, and applicable national regulations and international law. Adversely affected groups should be able to access the project Grievance Mechanism (GM) to raise questions or concerns regarding their participation in the process or the support received.

- (c) **Identifying measures to assist affected persons and groups in their efforts to improve, or at least restore, their livelihoods.** The objective of ESS5 is for PAPs to be assisted to improve livelihoods or at least restore them to pre-displacement levels in real terms. Paragraph 35(b) of ESS5 requires that measures be implemented *to either allow continued access to affected resources or to provide access to alternative resources with equivalent livelihood-earning potential and accessibility*, provided that *where common property resources are affected, benefits and compensation associated with restrictions on natural resource usage may be collective in nature*. However, in PCAs this is combined with the objective of maintaining the sustainability of the PCA (ESS5, Annex 1). The extent to which livelihood restoration is needed depends on the extent to which the access restrictions reduce pre-project livelihoods—this is one dimension by which PAPs might be disaggregated (i.e., on a continuum from people fully dependent on natural resource use or

³ If FPIC processes are required, the Borrower would be required to carry them out even if the PF contemplates different participatory processes for other categories of PAPs (the Borrower may choose to apply FPIC to other communities, but this is not required by the ESF). The FPIC process, or the consultation process even if FPIC is not required, needs to identify the aspects of the PF that would need to be adapted to the needs and requirements related to IPs/SSAHUTLCs, such as culturally appropriate consultation that respects their language, culture, and governance structure and achieves broad community support, consideration of traditional knowledge and resource management practices, and culturally appropriate livelihood options.

⁴ In considering criminality or illegality in the context of PF and LRP participation, it is important to allow for inclusion of groups whose activities may be illegal only inside the PCA (e.g., agriculture, fishing).

collection to people who access natural resources to supplement other sources of livelihoods). Compared to ESS5 provisions for land acquisition, physical relocation, and economic displacement outside of a PCA, balancing measures to improve or restore livelihoods with conservation objectives allows wider consideration in terms of alternative livelihoods and arrangements for sustainable continued access to some resources (and consideration of any acceptable relocation options), through the participatory process to agree on access restrictions and mitigation measures. During project preparation, the Borrower needs to assess existing contextual factors that may affect resource use and mitigation options. For example, wildlife corridors (especially for large mammal wildlife) or frequent human-wildlife conflict incidents near the PCA, natural disaster risk and response systems, and regional development activities and plans that may lead to cumulative impacts. All of these may affect the scope and options available for the PF.⁵

It is essential to have PAPs substantively involved in identifying and developing any sustainable resource use and allocation and alternative livelihood measures, to ensure that they are relevant, suitable, and of potential interest. At the same time, communication, outreach, and education activities are needed to socialize the benefits of resource management, introduce new livelihood options that PAPs might not be familiar with, and provide “reality checks” on options that might not be sustainable or workable or are unlikely to generate benefits at the level PAPs anticipate.

Once options are identified, it is important to put them through a feasibility assessment to avoid unrealistic expectations and promote implementable livelihood or “business plans.” For example, tourism is usually a major element of alternative livelihood planning but is actually a highly competitive business, more complicated and often much less lucrative than expected (by PAPs as well as Borrowers). Sustainable agriculture needs to be linked to value chains that make it economically sustainable but which may not be present. Training programs should be linked to local needs (e.g., improving food security) or verified market demand. Given the challenges, supporting alternative livelihoods, particularly near or in PCAs (due to remote locations, lack of access to markets, low capacity of local groups and institutions, restrictions on resource use, etc.), normally requires technical assistance and adaptive management tools to achieve restoration objectives. This support also requires monitoring and working with stakeholders through the participatory processes of the PF to ensure delivery of services and resources and adjustments where appropriate.

As highlighted earlier, the PF should include provisions to document the agreed access restrictions and corresponding mitigation measures—in the form of a “plan of action,” such as an LRP.⁶ It is important that this plan of action include clear participatory implementation arrangements, institutional responsibilities, budget and assigned resources, a GM, and monitoring and evaluation.

- (d) **Resolving potential conflicts or grievances within or between affected communities.** Even if the PF succeeds in gaining general community-level support for the general principles and rules of resource use, the eligibility criteria for support, and the income/livelihood restoration measures, it is inevitable that there will be situations where complaints will arise from implementation

⁵ For human-wildlife conflicts, the Borrower should refer to biodiversity management plans or PCA management plans that provide information about wildlife corridors, their relation to seasonal weather conditions, and possible routes toward other natural resources, including forests and wetlands. The Borrower should also identify the communities affected, ensure that they are involved when assessing the PAPs’ eligibility criteria, have access to a GM and propose appropriate mitigation measures (that can include compensation or alternative livelihood measures).

⁶ The guidance provided in Section II on LRPs also applies to the preparation of a “plan of action” or LRP resulting from the PF process.

shortcomings, misunderstandings or deliberate disregard of the agreed rules, legacy issues, or unforeseen circumstances. For this reason, the PF includes a widely accessible process for identifying and managing conflicts and grievances. While the PF is not expected to identify all specific anticipated conflicts upfront and provide solutions to them, the Borrower needs to identify the most likely sources of conflict (between PCA authorities, rules enforcement entities and PAPs, and between different groups of PAPs) when preparing the PF. The conflict management mechanism for the PF may be developed as a free-standing GM specifically for the PF, or it may be linked to the project GM, depending on the institutional arrangements for implementation and the preferences of the PAPs participating in the PF. In either case, the design of the GM needs to be aligned with the PF and other project documents, including the SEP, as well as PCA management plans and governance arrangements.⁷ The PF GM structure should be developed in consultation with PF stakeholders to ensure that it appropriately addresses the PF-specific issues and aligns with the local culture of dispute resolution. It is also important to ensure that the parties managing the GM have the authority and the means to implement the agreed resolutions. For more details on GM, see Issue 11 of the GPN and corresponding Annex XI.

- (e) **Implementation and monitoring arrangements.** The PF is not a static document, but a “living,” iterative process of negotiation, agreement, and implementation of resulting actions, which may require rethinking or revising if the results do not meet expectations. Therefore, the PF should clearly set out the administrative and legal procedures for implementation and monitoring arrangements for both the process and its results.

Implementation arrangements include:

- i. Identification of participating institutions and other entities, considering their mandates and capacities and the commitments and resources necessary to support the processes of the PF, from participatory decision-making to agreement documentation and implementation of agreed actions;
- ii. Process implementation, documentation, and reporting;
- iii. Preparation of action plans (e.g., LRPs), including responsible parties, budgets, and timelines for: (1) implementation of the agreed processes (meetings, assessments, planning, GM, reporting, and agreement documentation); (2) implementation of the governance and livelihood measures as agreed by the PF participants; and (3) monitoring of results and adaptive measures as needed (e.g., changes to the processes, new agreements, supplements to livelihoods measures, new plans, etc.);
- iv. GM implementation arrangements;
- v. Monitoring arrangements. This should emphasize participatory monitoring by the PAPs/beneficiaries, along with independent, third-party input if the resources can be made available and participants agree it is useful or if circumstances make it necessary. Participatory monitoring should include:
 - The opportunity for all stakeholders to provide feedback on the participatory nature, equity, inclusiveness, and effectiveness of the implementation of the PF process (e.g.,

⁷ A GM may be included in the PF, if applicable, but the project GM also needs to cover grievances unrelated to access restrictions and may need to be separately set out in the SEP. In some cases, the project GM could serve as a second level of review (a type of appeal) for the more local and specialized GM included in the PF.

relevant groups participate, contribute, and are listened to; negotiations are meaningful, realistic, and productive; process is transparent with good outreach to stakeholders);

- Objective indicators (with associated baseline data) to assess the preparation, implementation, and outcomes of actions/action plans for achieving the desired results as identified through the PF process, as well as assess achievement of the objectives of ESS5 and ESS7 (if applicable);
- Clear procedures including responsible monitoring parties, frequency, reporting—by whom and to whom and how often, independent oversight if needed/agreed; and
- Mechanisms to convert information obtained from monitoring to action (adaptive management arrangements).

Section II: Livelihood Restoration Plan (LRP)

A. Context: Objectives and Requirements of Livelihood Restoration Plans

9. If the enabling conditions for a PF are not present, or the PF process identifies the need for livelihood restoration measures, the Borrower will prepare and implement an LRP to mitigate and/or compensate for adverse impacts of new restrictions or enhanced enforcement of existing restrictions on land use and access to natural resources in a PCA. To the extent that the enabling conditions for a participatory decision-making process for determining access restrictions and arrangements are in place, an LRP may rely on the PF process and constitute a continuation and outcome of such a process (the “plan of action” discussed in the PF section).

10. The objectives and requirements of an LRP prepared in the context of a PCA are described in ESS5, paragraph 21(d), and require the Borrower to prepare a plan proportionate to the project risks and impacts to assist affected people to improve, or at least restore, their livelihoods and living standards. As referenced previously in ESS5 (paragraph 35(b)), when projects with resource management or environmental management objectives impose conservation-oriented restrictions on nearby communities, such communities, community groups, or persons are entitled to measures that “[...] either allow continued access to affected resources or provide access to alternative resources with equivalent livelihood-earning potential and accessibility, provided that where common property resources are affected, benefits and compensation associated with restrictions on natural resource usage may be collective in nature.”

11. Improving the livelihoods of project-affected people is potentially the most challenging aspect of projects involving physical or economic displacement, and the one with the least documented successes. To be successful, livelihood restoration or development should be viewed as a full-blown development activity rather than as an afterthought in project preparation and implementation (livelihoods are complex, dynamic, and subject to shocks or exogenous change). It requires participatory planning and design, adaptive management, partnerships, as well as sustained and close livelihood support during transition and throughout the livelihood restoration process. As stated in ESS5, Annex 1 (paragraphs 26, 27) realistic and sustainable options and flexibility need to be provided to economically displaced people to obtain substitutes or alternative resources, or for alternative livelihoods, i.e., feasible arrangements for obtaining employment or for establishing a business, including provision of relevant supplemental assistance such as skills training, credit, licenses or permits, or specialized equipment. As warranted, livelihood planning provides special assistance to women, minorities, or vulnerable groups who may be disadvantaged in securing alternative livelihoods. This cannot be achieved without quality livelihood baseline surveys and key indicators to track livelihood improvement outcomes of an LRP (affected

populations have differing abilities to take advantage of opportunities and to adapt to change). There must also be agreement with affected populations on achievable targets and milestones, on management of expectations, on clarification of responsibilities, and on the exit strategy (i.e., when, under what conditions, and how assistance provided to affected populations under the LRP may end).

12. Challenges to be overcome in the preparation and implementation of an LRP in the context of a PCA typically include:

- (a) Difficulties in determining the extent to which affected populations are likely to be affected by restrictions on land use or loss of access to natural resources (who is affected, how and when, how much and how long they have depended on such resources, what alternatives do they have, etc.);
- (b) Difficulties related to structural barriers such as lack of infrastructure or market access;
- (c) Difficulties in overcoming the weight of traditions and resistance to change, as well as literacy and capacity barriers, particularly among the most vulnerable and impoverished groups;
- (d) The need to account for cultural factors (e.g., IPs/SSAHUTLCs) for whom livelihood improvement may have different meanings;
- (e) Constraints related to lack of trust in government institutions and technical expertise (affected persons must be willing to work with the authorities or another trusted partner to improve their livelihoods);
- (f) Lack of willingness, resources, or authority of implementing agencies to go beyond payment of cash compensation or physical relocation, and to provide support to affected communities for livelihood improvement;
- (g) The need to bring in multiple development partners or public agencies who may have limited capacity or willingness to support the livelihood restoration program;
- (h) The need to identify realistic and sustainable livelihood improvement strategies and options (may require market or technical studies), in dynamic contexts that are subject to unforeseen events (natural disasters, conflict, economic crises, etc.);
- (i) The need to agree on livelihood improvement strategies and options with concerned stakeholders (their commitment is key to successful implementation);
- (j) The need to ensure food security and subsistence levels of affected persons throughout the transition process (it is not possible to take risks with affected persons' livelihoods); and
- (k) The identification of economic development and benefit sharing opportunities.⁸

13. Given all the potential challenges, the collective nature of impacts, the numerous and diverse affected groups, it is also challenging to agree on appropriate indicators of success that can be monitored to assess the performance of livelihood restoration and development. Good practice indicates that implementation agencies should track the mean performance of key livelihood improvement indicators (e.g., target mean community or community group performance rather than only individual household performance), while maintaining particular focus on achieving a minimum standard for vulnerable or disadvantaged groups and providing for follow-up work with those categories of affected populations that might remain worse off.

⁸ ESS5, Annex 1, paragraph 28.

B. Elements of an LRP Prepared for a PCA

Description of project context and need for an LRP (setting the stage)

14. Preparation of an LRP in the context of a PCA requires a sound understanding of project boundaries, of project impact areas, and of resource use patterns within the affected areas. As a first step, this requires carrying out a social assessment or taking stock of the social assessment undertaken during project preparation or in any case prior to finalizing and implementing any such restrictions. Such an assessment would normally cover current uses and occupation of the project areas and the associated PCA and adjacent areas, any planned PCA expansion and strengthening of access restrictions (including planned resource allocation to commercial activities or other restrictive uses), the scope of expected livelihood and cultural impacts from project activities, and viable measures to mitigate and/or compensate for project impacts. It should include provision of key baseline information, with a particular focus on: (i) categories of eligible stakeholders and their social and cultural characteristics; (ii) historic or legacy issues involving local communities and/or the government; (iii) an evaluation of the possibility of establishing or enhancing a participatory approach to PCA management; (iv) determination of the nature and extent of adverse impacts of access restrictions on livelihoods of each stakeholder category; and (v) identification of appropriate mitigation measures and plans to address the adverse impacts and assessment of their potential viability.

Collection and analysis of in-depth socio-economic baseline data (building the foundations)

15. Building on the social assessment, preparation of an LRP requires the collection and analysis of in-depth socio-economic baseline data on affected populations. This is done by undertaking: (i) an assessment of the range and extent of natural resources subject to restrictions in the PCA (for example, any lands used for livestock grazing; collection of wood and forest products, including medicinal plants, bushmeat and fish, charcoal and construction materials, mineral resources, drinking water; seasonal and cultural uses; etc.) and a census of affected land users, whether they be permanent, seasonal, or sporadic; and (ii) a socio-economic survey of land users (or categories of land users, including settlers, migrants, and agricultural users) in the PCA to assess the extent to which their livelihoods depend upon the natural resources available to them (e.g., in what manner, for how long). The socio-economic survey also serves to identify what alternative livelihood arrangements (e.g., access to alternative land and water uses, extractive and non-extractive resources, enterprises, revenue streams, opportunities and services, cultural and religious uses, etc.) or alternative sources of supply (ex: food, drinking water, livestock fodder, fuelwood, etc.) would be available or could be made available by the Borrower to affected populations if they were to lose access to such resources. The socio-economic survey should incorporate specific data on vulnerable or disadvantaged persons and rights holders (including IPs/SSAHUTLCs) and enable gender-disaggregated analysis. It may need to be carried out over different periods of the year if land use in the PCA is partly seasonal (ex: if the PCA is used by seasonal users of collective lands (for forestry, hunting/trapping, fishing or collection of fruit, nuts or plants, migration, cultural uses) or of pastoral transhumant corridors and grazing areas, or by seasonal users of coastal or inland fishing grounds).

16. The socio-economic survey provides baseline information on income and socio-economic conditions in affected communities or community groups and helps to identify and develop a range of key baseline livelihood indicators and of alternative livelihood options. Such a survey may be sample based (ex: 25 percent of overall affected population) as long as selected sub-samples are fully representative of all categories of affected persons. Socio-economic information is gathered to determine the social dynamics likely to hinder or help the effectiveness of livelihood restoration measures. The survey typically uses a mix of both quantitative and qualitative methods to: (i) record intra-household and community divisions of labor; (ii) record information regarding sources of income or access to resources for each adult household member rather than at the household level; (iii) identify groups, households or individuals

especially vulnerable to impoverishment or marginalization as a result of restrictions on land use or of access to natural resources; (iv) identify social relationships and local institutions that affected persons use and trust; (v) assess the acceptability of potential measures to restore or improve incomes and living standards; (vi) identify affected persons' existing skill sets, needs and aspirations; (vii) record basic education and health information, including access to schools and health services; (viii) identify access to services, employment and social support; and (ix) document the status, uses, management and governance practices, and views and aspirations of IPs/SSAHUTLCs and other forest dwellers if present.

Development of livelihood restoration and development strategy and options (building the structure)

17. The assessment of the range and extent of natural resources subject to restrictions in the PCA and census of affected land and resource users, whether they be permanent or seasonal, and the socio-economic survey conducted in affected communities or community groups, help to assess the scope of the required LRP (e.g., how many people need to be provided with individual or collective livelihood support) and to identify and develop a range of key baseline livelihood indicators and alternative livelihood options. All LRP processes need to include the active participation and iterative agreement of the affected groups or document the reasons why this is not possible. All these inputs serve as the basis for establishing the key components of an LRP. They include, *inter alia*:

- (a) A description of the project context and of the objectives pursued by the LRP;
- (b) A review of the range and extent of natural resources subject to restrictions in the PCA, the census of affected land and resource users, and the socio-economic survey conducted in affected communities or community groups;
- (c) Livelihood strategy formulation, design and identification, and design of options based on: resource inventory; identification of alternatives by PAPs and Borrower; verification and identification of alternatives by technical experts who can assess the viability of the alternatives; and iterative feedback for affected stakeholder categories;
- (d) Transitional support measures to ensure income and food security, where needed, during the livelihood restoration process. This may include payment for lost crops and lost natural resources, payment of lost profits for businesses, or payment of lost wages for employees affected by business relocation. The plan provides for the transitional support to continue for the duration of the transition period (see ESS5, Annex 1, paragraph 29);
- (e) Participatory planning process for establishment and implementation of LRP and related GM;
- (f) Identification and negotiation of required partnerships with government agencies, nongovernmental organizations (NGOs), and civil society organizations (CSOs), or private sector entities;
- (g) Scheduling, budgeting, and financing required for the LRP;
- (h) Implementation arrangements, including any memoranda of understanding (MoUs) and contractual arrangements to ensure funding and responsibility for implementation; and
- (i) Monitoring arrangements including baseline, key performance indicators, and exit targets.

18. There is a wide variety of livelihood restoration and development strategies that may be considered in an LRP. These include, among others:

- (a) Employment-based and business-based strategies:
 - i. Fostering direct employment through job placement services and internships;

- ii. Providing job skills training and coaching;
 - iii. Entrepreneurial training and support with income-generating activities;
 - iv. Fostering project-related preferential policies for affected persons (hiring, service provision, etc.);
 - v. Establishing micro credit programs for the affected communities or supporting access to existing micro-finance schemes.
- (b) Land or resource-based strategies:
- i. Providing replacement land of equivalent productive value prepared for cultivation;
 - ii. Providing improved agricultural or natural resource-based skills, inputs, and extension services (for example, improved seeds and inputs, training in sustainable agricultural practices, training in reservoir fishing, provision of adapted boats and fishing material, provision of improved boat launching areas and material storage facilities, provision of temporary cold storage facilities, ongoing support provided by agricultural or fishery extension services, etc.);
 - iii. Catchment development: custodianship of catchment resources; reforestation, afforestation, planting of fruit trees; and environmental enhancement for wildlife resources;
 - iv. Providing for small-scale market gardening and small-scale animal husbandry (poultry, etc.) that can ensure food security and income during and after livelihood restoration (particularly for women);
 - v. Providing improved harvesting, handling, and storage, and transportation facilities to minimize losses and facilitate access to markets;
 - vi. Providing agricultural or fishery insurance.
- (c) Skills training strategies:
- i. Improving functional literacy and numeracy skills;
 - ii. Providing credit and financial management training and support;
 - iii. Providing marketing and logistics training and support;
 - iv. Offering training in the use of social media and internet apps;
 - v. Offering coaching and mentoring opportunities;
 - vi. Providing access to vocational training, scholarships, and internships.
- (d) Business development strategies:
- i. Income replacement, relocation site, and support for business reestablishment;
 - ii. Establishing micro credit programs for the affected communities or supporting access to existing micro-finance schemes;
 - iii. Supporting business plans and development for entrepreneurial activities, such as small commerce, taxi services, arts and crafts, supply chains, etc.;
 - iv. Supporting access to markets for sustainable local products.

(e) Benefit sharing strategies:

i. Providing for long-term support of livelihood improvement through:

- Revenue sharing (for example, from natural resource extraction, tourism, etc.);
- Local development funds (for example, based on income derived from natural resource extraction).

(f) Cash-based strategies, such as cash compensation for assets and income loss, with technical assistance and monitoring to facilitate livelihood restoration.

(g) Facilitating retirement and pensions and access to government social programs where applicable.

19. Developers of the LRP need to verify the feasibility and sustainability of potential livelihood improvement options under consideration (through market surveys, feasibility studies, etc.) before submitting them for review by PAPs and eventual approval. They also need to properly assess potential transitional support measures to ensure income and food security of affected persons where needed. Alternative sources of supply may also need to be provided where use of vital resources (drinking water, livestock fodder, fuelwood, etc.) is precluded. Rights to, and terms for, continued partial use of natural resources in the PCA may also need to be adjusted during the transition period (e.g., use of water sources, seasonal livestock movement, or rights to forest products).

20. Once the feasibility and sustainability is confirmed, the proposed livelihood restoration and development strategy and related options as well as proposed transitional support measures are submitted for discussion and review by concerned government agencies, potential development partners, and affected communities or community groups, including, as warranted, vulnerable or disadvantaged communities or community groups and IPs/SSAHUTLCs if present.

21. Public consultations with affected communities or community groups should be designed to ensure that all categories of affected persons are properly informed of their rights and responsibilities under the LRP preparation process and that the concerns and aspirations of all categories of affected persons are properly addressed throughout the process. If required, such consultations should be gender-disaggregated to ensure proper representation of women, and should be tailored, as warranted, to the needs of IPs/SSAHUTLCs, vulnerable, or disadvantaged groups. Ongoing communication and engagement with concerned stakeholders and development partners, including provision of demonstration projects (job fairs, pilot facilities, etc.), is recommended to facilitate community decision-making. Agreements with concerned stakeholders regarding the retained livelihood restoration and development strategy and options, transitional support measures, and defined livelihood targets/indicators and milestones must be recorded and formalized.

22. Publication of the final LRP by the Borrower and its public disclosure by the World Bank and the Borrower for the benefit of concerned stakeholders helps to document the LRP preparation process and to record agreements and commitments made by the parties towards restoration and development of livelihoods of people affected by restrictions on land use and access to natural resources in the PCA.

Implementation and monitoring of the LRP (ensuring necessary adaptive management)

23. The project implementation unit (PIU) or implementation agency responsible for implementation of the LRP needs to be properly staffed and resourced to assume its roles and responsibilities. These roles and responsibilities include:

- (a) Ensuring that all resources needed to implement the LRP are in place (staffing, budget and funding, contractual arrangements, MoUs, etc.);

- (b) Coordinating implementation of a livelihood improvement program (procurement and program design for delivery partners, and program execution in collaboration with development partners, public agencies, NGOs/CSOs, and/or private sector entities);
- (c) Providing transitional support to ensure income and food security where needed during the livelihood restoration and improvement process;
- (d) Supporting ongoing stakeholder engagement activities and managing the GM, including by tracking requests for information and complaints and by resolving issues in a timely manner;
- (e) Undertaking monitoring and evaluation of livelihood restoration and improvement activities and key performance indicators against the baseline and agreed targets (including through completion audits), with a particular focus on vulnerable or disadvantaged groups, including indicators such as: income and financial services; food security; access to markets and services; participation in PCA and community governance; occurrence of illegal resource use; PAP satisfaction with compensation/benefits received, where applicable, and IP/SSAHUTLC access to resources, cultural continuity, and FPIC processes;⁹
- (f) Designing and implementing adaptive management strategies, as warranted, to address shortcomings identified in the livelihood restoration and development strategy; and
- (g) Implementing an exit strategy, including with development partners and institutions.

24. Given dynamic LRP implementation contexts that are subject to unforeseen events (natural disasters, conflict, economic crises, etc.), successful implementation of an LRP prepared for a PCA requires that the PIU or implementation agency have timely access to adequate contingency funds to enable adaptive management of livelihood restoration and transitional support activities as well as resolution of legitimate grievances raised by affected persons. Such contingency funds should be built into the LRP budget and financing.

⁹ A more complete sample indicator table for LRP monitoring is available as part of the LRP ToR in Annex IX.