

Environment & Social Framework for IPF Operations

Good Practice Note

Managing the Risks of Projects Involving Protected and Conserved Areas

Annex IX

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 IX. Indicative Terms of Reference for Preparation of a Livelihood Restoration Plan (LRP) Involving PCAs

The following annex is part of the Good Practice Note on Managing the Risks of Projects Involving Protected and Conserved Areas, which is accessible at the following URL:

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

Introduction

1. These indicative Terms of Reference (ToRs) provide guidance for the preparation of a Livelihood Restoration Plan (LRP) for a project that may impose changes that restrict access to land use and/or resources (“access restrictions”)¹ in protected or conserved areas (PCAs). It reflects and elaborates on Environmental and Social Standard (ESS) 5,² which sets out the objectives and contents of LRPs, which typically include measures to either allow continued access to affected resources or provide access to alternative resources with equivalent livelihood-earning potential and accessibility. “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.³ Where common property resources are affected, benefits and compensation associated with restrictions on natural resource usage may be collective in nature. The ToRs can be applied to projects involving terrestrial or marine PCAs.
2. Some PCA projects include a Process Framework (PF) that sets out an iterative, participatory process of good faith negotiation, planning, implementation, and monitoring/reporting on implementation and outcomes. Successful PFs set out a process for developing, approving, and updating/adjusting a resource management and mitigation action plan that can be consolidated as an LRP (sometimes accompanied by complementary plans and measures that are also part of the PCA management arrangements).
3. The nature and complexity of the LRP and the resources allocated to develop and implement it should be proportionate to the potential scale and severity of impacts on project-affected persons (PAPs) and should take into consideration the institutional and communal structures for implementation. This would include, for example, evaluating each party’s mandate and legitimacy, commitment, culture, capability, and the resources available for making decisions on aspects such as PCA management and allocation of benefits. These indicative ToRs include some supporting analyses for this purpose, including identification of gaps or shortfalls and proposed capacity-strengthening measures.
4. Preparation of an LRP in the context of a PCA requires a sound understanding of project boundaries, project impact areas, and 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

¹ *Use restrictions* occur when a project causes changes in land use that impede availability of resources, or rights to resource use or occupancy. *Access restrictions* occur when a project causes land to be isolated because of physical or regulatory barriers to entry. Access and use restrictions frequently overlap or interact and in these ToRs are referred to generally as “access restrictions.”

² Particularly paragraphs 21(d), 35(b) and Annex 1.C.

³ Environmental and Social Standard (ESS) 5 of the World Bank Environmental and Social Framework (ESF).

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.

Scope of Work

A. Objective of the Livelihood Restoration Plan

5. The LRP will have a two-fold objective:
 - (a) Propose livelihood restoration options that would be feasible and tailored to the context and needs of people affected by PCA access restrictions; and
 - (b) Design an implementation and monitoring plan to allow affected persons to improve, or at least restore, their incomes or livelihoods. The plan will establish the entitlements of affected persons and/or communities, paying particular attention to gender aspects and the needs of vulnerable segments of communities, and will ensure that these are provided in a transparent, consistent, and equitable manner. The plan will include detailed implementation budgets and timelines, clarify sources of funding, and define clear lines of responsibility for its implementation, supported as needed by memoranda of understanding (MoUs) agreed by the parties concerned. It will incorporate arrangements to monitor the effectiveness of livelihood restoration measures during implementation, as well as evaluation of their outcomes once implementation is completed. The mitigation of economic displacement will be considered complete when the completion audit concludes that affected persons or communities have received all the assistance for which they are eligible and have been provided with adequate opportunity to reestablish their livelihoods.⁴

B. Description of Project Context, Components, and Activities

6. Considering the information from the project documentation available, including the social assessment, PCA management plan and related studies, the PF if available, the Project Appraisal Document (PAD) and other relevant environmental and social (E&S) documents, a summary description of the following should be provided in the LRP:
 - (a) The primary development objective of the project;
 - (b) A description of the project components;
 - (c) The institutional and governance framework for the project and the PCAs involved;
 - (d) The impacts the project and its components (and any associated facilities or activities) are expected to have on people who live in or use the PCAs and functionally related areas, particularly the project area as defined in the PAD;
 - (e) The specific activities expected to result in access restrictions and adverse impacts on the rights and/or livelihoods of affected persons and communities, and a general description of the nature and extent of the impacts associated with each activity;

⁴ ESS5, paragraph 33.

- (f) Contextual considerations (community characteristics, inter-community or intra-community conflict, legacy issues, development plans, available economic alternatives, development partners, etc.);
- (g) Gaps in information that may require additional preparatory activities (e.g., a social assessment if one has not been carried out); and
- (h) Challenges for livelihood restoration in the context of the project.⁵

C. Methodology for Preparing the Livelihood Restoration Plan

7. The main approach and key steps for LRP preparation include:
 - (a) Review the available information regarding the project’s environmental and social context; background/history, including the social assessment and ESIA for the project (such as recent censuses, social surveys, and social assessments or analyses which have been carried out for the project and/or for other purposes, including for current and any legacy environmental or social issues, as well as consultations with local groups and other knowledgeable parties on such issues); the Bank and Borrower’s assessment of the enabling conditions for preparation of a PF; the PF and its outcome if available; and the PCA management plans and related assessments; and describe available baseline data and any gaps;
 - (b) Building on the social assessment and any gap-filing analyses, complete: (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, fish, charcoal, 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 (for example, 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 must incorporate specific data on vulnerable or disadvantaged persons and rights holders, including Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (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, for example, 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;
 - (c) Based on the above, identify who will be included in the preparation and implementation of the LRP, including: (i) project-affected groups and individuals (PAPs) likely to experience access restrictions and related adverse impacts on livelihoods; (ii) other key parties involved in livelihood restoration (PCA management and local authorities, local partners including nongovernmental organizations, community-based organizations, and businesses); and (iii) stakeholders to be

⁵ In identifying project-relevant challenges, refer to Annex VII of the GPN, Section II.A.

informed or consulted, based on stakeholder mapping, including the Stakeholder Engagement Plan (SEP) for the project, and the PF;

- (d) Develop and implement a plan for outreach, awareness-raising, and consultation activities to encourage and enable each of these groups to participate effectively in preparation of the LRP. The consultations will be carried out using a highly participatory, inclusive, and accessible methodology. Documentation of consultations held will be included as an annex to the LRP;
- (e) Coordinate with teams preparing the project’s Environmental and Social Impact Assessment (ESIA), social or other E&S assessment, SEP, Resettlement Plan/Resettlement Policy Framework (RP/RPF), and Indigenous Peoples Plan/Planning Framework (IPP/IPPF), which are required if the project involves land acquisition or physical displacement of PAPs or interactions with IPs/SSAHUTLCs, respectively; and
- (f) In consultation with the institution(s) responsible for preparing and implementing the project, provide a proposed structure and timetable for the overall LRP development and implementation process, including specific milestones and deliverables.

D. Livelihood Restoration Plan Design

8. The LRP will include the following minimum content:

- (a) Consultation and participatory process carried out to validate impacts and identify and agree on livelihood strategies:
 - i. Description of consultations that have already been carried out with the potentially affected groups; continued access arrangements; and land-based and non-land-based livelihood restoration commitments that have been made to date by the Borrower/PCA management; and
 - ii. Summary of consultations that were carried out specifically for the preparation of the LRP;
- (b) Full census and asset/restriction inventory: The identification of PAPs/stakeholders should encompass a wide scope of potential participants, including those whose use of the PCA is seasonal or sporadic, as long as access to the PCA resources plays an important role in their livelihoods or cultural practices;
- (c) Identification of specific land-based and non-land-based livelihood restoration options that have been agreed with the Borrower and the PAPs and any additional options that may require further study and negotiation. 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 alternative livelihood options. Such a survey may be sample-based (for example, 25 percent of overall affected population) if 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/SSAHUTLCSs, pastoralists, and other forest dwellers if present;
- (d) 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 from affected stakeholder categories. Livelihood restoration options may include a wide variety of strategies and interventions, such as:⁶
- i. Continued access under agreed rules, including for cultural uses;
 - ii. Land- and resource-based measures, including substituted assets, sustainable practices, and payment for ecological services;
 - iii. Employment- and business-based approaches;
 - iv. Skills training;
 - v. Business development strategies;
 - vi. Benefit sharing arrangements;
 - vii. Cash-based plans; and
 - viii. Retirement and social services enrollment;
- (e) Transitional support measures needed to ensure income and food security 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;⁷
- (f) Indicative allocation of compensation, transitional support, and livelihood restoration measures for eligible PAPs, together with processes to complete allocations or reassess as needed. Agreements with concerned stakeholders regarding the selected livelihood restoration and development strategy and options, transitional support measures, defined livelihood targets/indicators and milestones must be recorded and formalized;
- (g) Identification of dynamic factors in the LRP implementation context, such as disruptive events (natural disasters, conflict, economic crises, etc.), and arrangements for the LRP implementation team to monitor such events and to have access to adequate contingency funds to enable adaptive management of livelihood restoration and transitional support activities and resolution of legitimate grievances raised by affected persons. Such contingency funds should be built into the LRP budget and financing;
- (h) Livelihood Restoration Action Plan (see Appendix 1) with:
- i. Agreed mitigation measures for impacts at the individual, household, or community levels;
 - ii. Transitional support;

⁶ Tailor strategies as relevant to project and refer to GPN, Annex VII, Section II.B. for additional detail.

⁷ See ESS5, Annex 1, paragraph 29.

- iii. Arrangements for preparation and implementation of the LRP, including:
 - Scheduling, budgeting, and financing (including contingencies) required for the LRP;
 - Participatory planning process, including establishment and implementation of LRP and related Grievance Mechanism (GM);
 - Implementation arrangements, including institutional responsibilities, staffing, and any MoUs and contractual arrangements to ensure funding and responsibility for implementation;
- iv. Arrangements for monitoring and reporting, including monitoring arrangements, baseline information, key performance indicators, and exit targets (see sample core indicators in Appendix 2 and make sure context-relevant targets are set); and
- v. Provisions for adaptive management (monitoring, thresholds, triggers, contingent actions, and budgets).

9. The LRP will be a concise and practical document with a maximum number of pages as agreed under a Work Plan.

E. Related Assessments to Be Carried Out

10. To ensure completeness and viability of the LRP, the following assessments will be required as background or input.⁸

Analysis of Institutional Structure for LRP Implementation

11. Describe proposed implementation arrangements for all aspects of the LRP, including the roles and responsibilities of all participating and supporting parties: project implementation unit (PIU); PAPs; community groups (e.g., resource user associations); PCA management authority; other national and/or local governmental entities (e.g., responsible for land management, and government economic and social programs); nongovernmental organizations/civil society organizations (NGOs/CSOs) who will assist with livelihood activities, PCA management, and consultations; local businesses; and market participants. For each entity or group involved in implementation of the LRP:

- (a) Describe its institutional/contractual/operational mandate (formally documented or informally understood), with emphasis on relevance to implementation of the LRP and associated activities; assess its capacity and commitment to carry out its mandated role(s) that are necessary for the successful implementation of the LRP. To the extent possible, describe its demonstrated track record in aspects that are essential to the successful implementation of the LRP, such as: experience and expertise in implementing economic and community development interventions, adherence to the principles and practices of stakeholder engagement and co-management agreements, and acceptance by the affected communities;
- (b) Identify and assess the representativeness, equitability (e.g., inclusion of women and minority groups) and effectiveness of any existing community organizations and processes that enable stakeholders to have input into, or to participate in local development programs. This may include, for example, regular information sharing processes, stakeholder/community participation in PCA

⁸ This section of the ToRs should (i) list the documentation where such assessments can be found, as provided or to be provided; or (ii) include the mandate (and additional instructions) to carry out the required assessments that will be included as accompanying reports under the Deliverables.

governance, representation on advisory committees or boards, or other participatory implementation and co-management arrangements;

- (c) Identify capacity-strengthening requirements needed to enable any of the above parties to better fulfill their proposed roles in implementing the LRP; and
- (d) If IPs/SSAHUTLCs are present, assess their roles and responsibilities as well as capacity, needs, and aspirations, in accordance with ESS7 and Annex X of this GPN.

Feasibility and Risk Assessment of Livelihood Restoration Options

12. Prepare a feasibility assessment of the likelihood of successful implementation of the proposed livelihood restoration actions, from the technical, financial/economic, political, legal, social, and cultural perspectives. For proposed alternative livelihood activities and livelihood support measures (such as ecotourism, intensive agriculture, value-added products based on natural resources, agro-forestry, non-timber forest products, etc.), this should include a basic feasibility assessment of the potential viability and sustainability of the proposed activities. This includes an assessment of stakeholder interest, preliminary market analysis, and assessment of capacity and costs of implementation; it may also include a SWOT⁹ analysis of the proposed approaches or similar tools. As part of this assessment, identify and assess the current significance of any history of conflicts among parties to the LRP (e.g., between resource users and PCA authorities, or between different groups of resource users and local authorities and businesses) or other legacy issues that could undermine trust among the parties and therefore the viability and successful implementation of the LRP.

13. If the feasibility assessment indicates that there is a significant risk of failure or unsustainability of the LRP relating to any of the above, suggest possible approaches/actions to reduce, overcome, or manage these constraints and/or targeted monitoring and adaptive measures.

Readiness Indicators and Resources for Initiating Implementation of the LRP

14. Identify the circumstances and resources that are needed prior to initiating implementation of the LRP, including any agreements or approvals to be made or formalized, specific actions to be taken by any of the parties, mechanisms or systems to be put in place or operationalized (e.g., GM, baseline data collection, monitoring and reporting system, communications system, agreements with IPs/SSAHUTLCs, etc.). Identify the parties responsible for any such actions and provide indicators for their successful completion, and cost estimates for carrying them out.

Deliverables and Timeline

Deliverables	Timeline ¹⁰
Work Plan, including milestones and timeline (agreement on any gaps and complementary studies)	Week 2
Complementary studies (if applicable)	Week 6
First draft of the LRP	Week 10
Final Draft of the LRP	Week 14

⁹ An analysis of Strengths, Weaknesses, Opportunities, and Threats.

¹⁰ Timelines are indicative and should be adjusted based on the number of PAPs, information available, and complexity of the situation.

Qualifications

15. The LRP will be undertaken by a team of at least two experts from a highly qualified international firm with the following qualifications:

- Advanced university degree in rural sociology, social science, and/or community development and/or post graduate studies or equivalent experience on related subjects;
- Advanced degree in rural business or economics or equivalent experience;
- Each expert should have:
 - A minimum of 8 years of relevant experience;
 - Familiarity and practical experience with PCA management and social aspects of biodiversity conservation and resource management, including co-management arrangements or similar community-oriented approaches;
 - Proven knowledge of community development, forest, and micro-enterprise livelihoods;
 - Knowledge of the country, including natural resource management and related livelihoods practices, IPs/SSAHUTLCs and forest and community land management frameworks, and ideally including in-country or regional work experience;
 - Excellent team behavior and client orientation, and strong track record of delivering high quality products in a timely manner;
 - Strong communication and writing skills in English; and
 - Working knowledge of one or more locally used languages would be an advantage.

16. The lead consultants may require supporting expertise (through team members or short-term inputs) that will vary based on the elements of the LRP, including factors such as the cultural diversity of the parties and the nature of proposed livelihood restoration measures. Typically, the range of expertise should include expertise in some, or all, of the following:

- Natural resource management and biodiversity conservation (e.g., forestry and forest livelihoods, fisheries, coastal zone management, pasture management, wildlife management, ecological services management, and payment schemes, or others, as relevant, based on the PCA resources that are economically or culturally important to the PAPs);
- Local business and markets, small enterprise development (e.g., in ecotourism, agriculture and value-added agricultural or natural products), depending on the types of likely activities for alternative livelihood development);
- Social analysis;
- Community development;
- Consultation/meeting facilitation;
- Conflict management and mediation;
- IPs/SSAHUTLCs, forest dwellers;
- Vulnerable groups;
- Gender;

- Monitoring and evaluation;
- Logistics/administration (to organize and support consultations and other field activities); and
- Working knowledge of the language(s) of main stakeholder groups (including through recruitment of translators/interpreters as needed).

Appendix 1

Outline of Livelihood Restoration Plan

- I. Introduction: Overview, input received, and documents consulted, consultations to date, objectives of the LRP (including ESS5 objectives and requirements to be met and contextual considerations);
- II. Project background and description (resource inventory and current uses and rights, the general nature and anticipated potential socio-economic impacts of any new or strengthened restrictions on access to PCA(s) and their resources);
- III. Relevant policy and legal framework, current (pre–project) restrictions on access to PCA(s) and their resources;
- IV. Identification and description of the PAPs and other stakeholders participating in the LRP;
- V. Participatory planning and consultation process (including stakeholder mapping, details and records of consultation methods and agreements);
- VI. Planned restrictions of access and their expected impacts on livelihoods;
- VII. Options to assist PAPs in restoring or improving livelihoods (summary of supporting assessments);
- VIII. Procedures for resolving conflicts or grievances (including among PAPs and between PAPs and LRP implementers and other stakeholders);
- IX. Implementation Action Plan:
 - (a) Agreed management and mitigation measures, including transitional support with action steps, deliverables, and schedule;
 - (b) Roles and responsibilities, including staffing, MoUs, contracts, measures for institutional strengthening where needed, and PCA governance arrangements;
 - (c) Budget and sources of funding;
 - (d) Implementation and monitoring arrangements, including participatory monitoring, indicators, and exit targets; and
 - (e) Adaptive management measures and contingency funding.

Appendix 2

LRP Sample Monitoring/Exit Indicators

Sample LRP Completion Indicators		Targets
Average household income change	% change in total household cash and in-kind income from forest-based and non-forest sources versus baseline	Positive
Access to forest resources / tenure security	% households with legal/recognized access or customary rights to needed forest areas	> 90%
Employment, including in forest-based activities (jobs)	Number of full-time equivalent jobs created/restored in forest management, restoration vs. baseline	Set relevant target = or > baseline
Food security	Household Dietary Diversity Score or Food Consumption Score reflecting reliance on forest foods	Set relevant target = or > baseline
Access to markets / distance to market (km & travel time):	Average travel time/distance to sell/buy forest products and inputs	= or < than baseline
Access to finance and payments for ecosystem services participation	% households accessing micro-credit, savings, and payments for ecosystem services versus baseline	> 80%
Participation in community forest governance	% of eligible household representatives participating in management committees	>20%
Perceived compensation / benefit adequacy:	% of households reporting benefits/compensation as adequate for lost forest access/resources	➤ 90%
Illegal resource use incidents	Number of recorded illegal extraction incidents involving project-affected households versus target based on baseline	Set relevant target < baseline
School attendance rate (children of affected households)	% of school-age children attending school regularly	> 95%
Level of access to other services (housing, water, electricity, health):	% of households with access versus baseline	> 90%

<i>IP/SSAHUTLC access to natural resources and sacred sites</i>	% of IP/SSAHUTLC households with restored or improved access to natural resources and cultural/sacred sites	> 90%
<i>Cultural continuity</i>	% of culturally significant sites remaining accessible	100%
<i>FPIC consultation compliance</i>	% of activities consulted with FPIC documented as required/agreed	100%

Given the potential challenges, the collective nature of impacts, and the numerous and diverse affected groups, consider tracking the mean performance of certain key livelihood improvement indicators (e.g., target mean community or community group performance rather than only individual household performance) along with a particular focus on achieving minimum standards for vulnerable or disadvantaged groups and allowing for follow-up support for those categories of affected populations that might remain worse off with respect to the baseline.