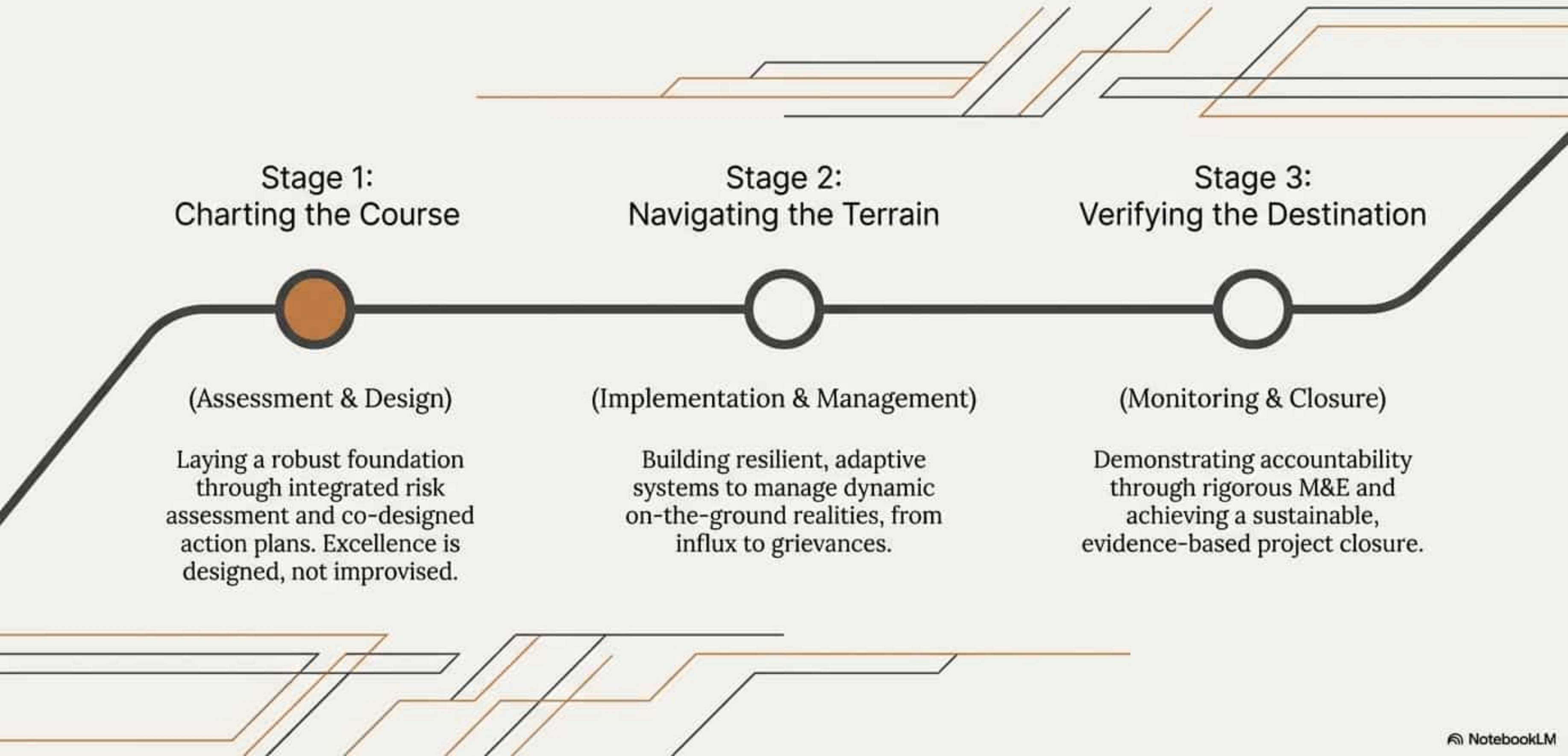


# From Blueprint to Legacy: A Masterclass in Managing Complex Social Risk

A Strategic Playbook for Aligning with IFC Performance Standards Across the Project Lifecycle

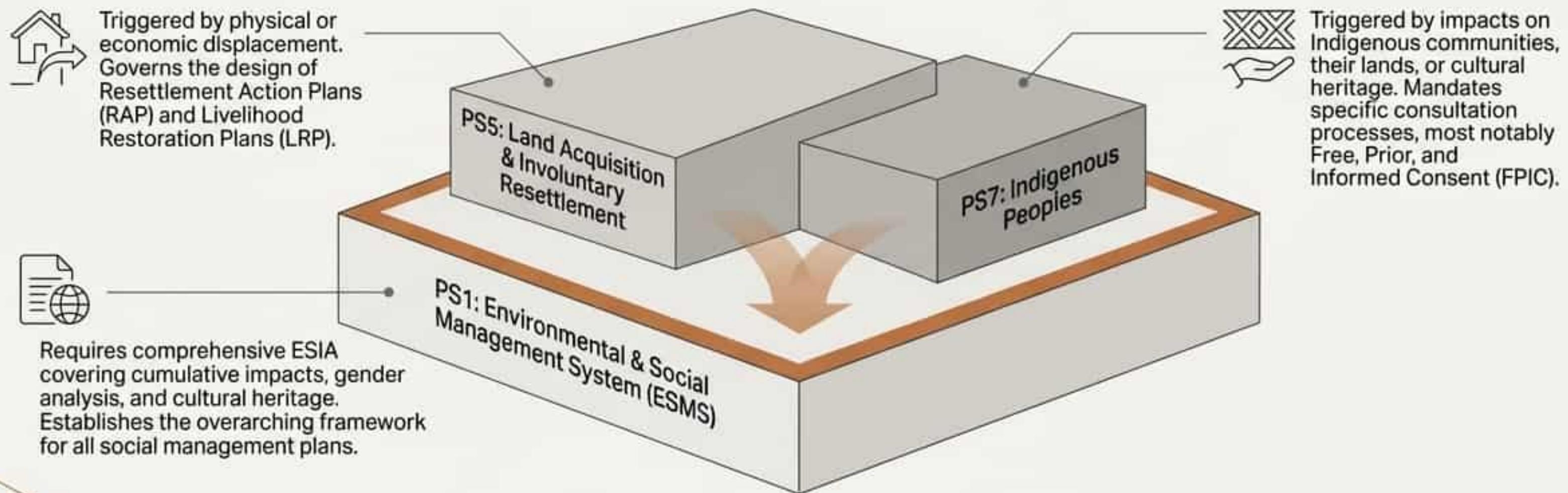


# The Social Performance Journey Follows Three Critical Phases



# Effective Social Risk Management Integrates Three Core Performance Standards

PS1 establishes the foundational management system, which then governs the specific requirements of PS5 for resettlement and PS7 for Indigenous Peoples.



These standards are not a checklist but an integrated cascade. PS1 provides the 'how', while PS5 and PS7 define the 'what' for the most sensitive social impacts.

# The First Step in Planning is Correctly Classifying Displacement Typology

Group	Displacement Classification	Rationale	
	<b>A) Households with formal titles</b> (Houses & farmland submerged)	<b>Both Physically &amp; Economically Displaced</b>	They lose their homes (physical displacement) AND their primary income source from farmland (economic displacement).
	<b>B) Informal/customary farmers</b> (Farmland only lost)	<b>Economically Displaced</b>	They retain their homes but lose access to the farmland that underpins their agricultural livelihoods.
	<b>C) Kiosk owners</b> (Relocatable businesses)	<b>Economically Displaced</b>	They lose their business structure and location, causing business interruption and income loss, but not their primary residence.

Under PS5, protections apply regardless of formal tenure status. Informal and customary users have rights to compensation for assets and livelihood restoration.

# Required RAP & LRP Measures are Tailored to the Type of Displacement

Group	Asset Compensation Measures	Livelihood Restoration Measures
A) Formal Title Holders 	<ol style="list-style-type: none"><li>1. <b>Full replacement cost</b> for houses (no depreciation) or replacement housing of equal/better quality.</li><li>2. <b>Land-for-land</b> of equal productive value or cash at full replacement cost.</li><li>3. Compensation for all fixed assets (wells, trees, crops).</li></ol>	<ol style="list-style-type: none"><li>1. <b>Transitional support allowance</b> (e.g., 6-12 months of living expenses).</li><li>2. <b>Agricultural extension services</b> and inputs for 2-3 seasons.</li><li>3. Skills training for <b>alternative livelihoods</b>.</li></ol>
B) Informal/Customary Farmers 	<ol style="list-style-type: none"><li>1. Compensation for <b>loss of access to land</b> based on income value (even without title).</li><li>2. Payment for standing crops and productive trees.</li><li>3. Recognition of customary rights with compensation <b>equivalent to formal users</b>.</li></ol>	<ol style="list-style-type: none"><li>1. Priority access to <b>replacement agricultural land</b> with secure tenure.</li><li>2. <b>Agricultural productivity support</b> package (training, inputs) for minimum 3 years.</li><li>3. Alternative livelihood training and <b>startup capital</b>.</li></ol>
C) Kiosk Owners 	<ol style="list-style-type: none"><li>1. Compensation for kiosk structures at <b>replacement cost</b>.</li><li>2. <b>Relocation assistance</b> and transport costs.</li><li>3. Compensation for temporary business losses.</li></ol>	<ol style="list-style-type: none"><li>1. Assistance identifying new business locations with <b>comparable customer traffic</b>.</li><li>2. <b>Business interruption allowance</b> (e.g., 3-6 months of net income).</li><li>3. Business development support (e.g., microcredit access).</li></ol>

# FPIC is Not a Final Checkbox, But a Foundational Co-Design Process

For projects triggering PS7, FPIC must be sought *before* the RAP/LRP is finalised. The outcomes of the FPIC process directly shape the design of resettlement and livelihood restoration.

## Iterative Consent

FPIC is not a one-time event. It is required for major RAP/LRP modifications during implementation, creating a "living document" based on an ongoing relationship.

## When is FPIC Required?



Physical relocation from ancestral territory.

Impacts on lands under traditional ownership or use.

Impacts on critical cultural heritage.



## Co-Design Process

RAP/LRP development must be participatory from inception. The Indigenous community helps define criteria for 'adequate' replacement land and informs livelihood options with traditional knowledge.

## Collective Decision-Making

Compensation packages are designed for collective benefit (e.g., community-controlled development funds) alongside individual entitlements. Valuation methods must recognise spiritual and cultural values.

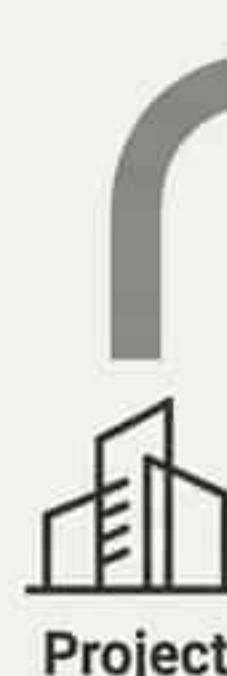
# Project-Induced In-Migration (Influx) Creates Risk Pathways that Undermine Resettlement Objectives

## Risk Pathway 3: Economic Distortion & Dependency

**Mechanism:** Inflation from worker spending and land speculation makes LRP income targets unrealistic and pushes locals into vulnerable, temporary service jobs.

**Impact:** Undermines the transition to sustainable, long-term livelihoods.

**Mitigation:** Local procurement strategies with price controls; closed-loop worker facilities to minimise leakage; priority hiring for resettled persons.



## Risk Pathway 1: Competition for Resettlement Benefits

**Mechanism:** In-migrants attempt to claim status as 'project-affected persons' to access compensation or land.

**Impact:** Dilutes resources intended for legitimate beneficiaries and creates social tension.

**Mitigation:** Pre-resettlement census with biometric registration and a strict, well-communicated cut-off date.

## Risk Pathway 2: Cultural Disruption & Loss of Social Cohesion

**Mechanism:** Influx of a large, non-local workforce disrupts traditional governance and cultural practices, particularly for Indigenous communities.

**Impact:** Erodes the collective decision-making structures essential for FPIC maintenance and RAP implementation.

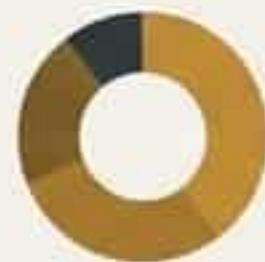
**Mitigation:** Worker codes of conduct, cultural buffer zones around Indigenous sites, and cultural preservation programs within the LRP.

# A Multi-Tiered Grievance Mechanism Balances Collective Governance with Sub-Group Inclusion

## Primary Level: Community-Based Resolution

**Structure:** A joint committee combining traditional leaders with mandated representatives from marginalised sub-groups (e.g., women, youth, satellite hamlets).

**Principle:** Reinforces customary authority while ensuring internal inclusivity.



40% traditional leadership,  
30% women, 20% youth,  
10% remote hamlet  
representatives.

## Secondary Level: Independent Mediation

**Structure:** Access to an independent Indigenous Rights Ombudsperson for sub-groups who feel unsafe using primary channels.

**Principle:** Provides a confidential, safe-access pathway.

## Tertiary Level: External Review

**Structure:** A multi-stakeholder panel including an IFC representative and independent experts.

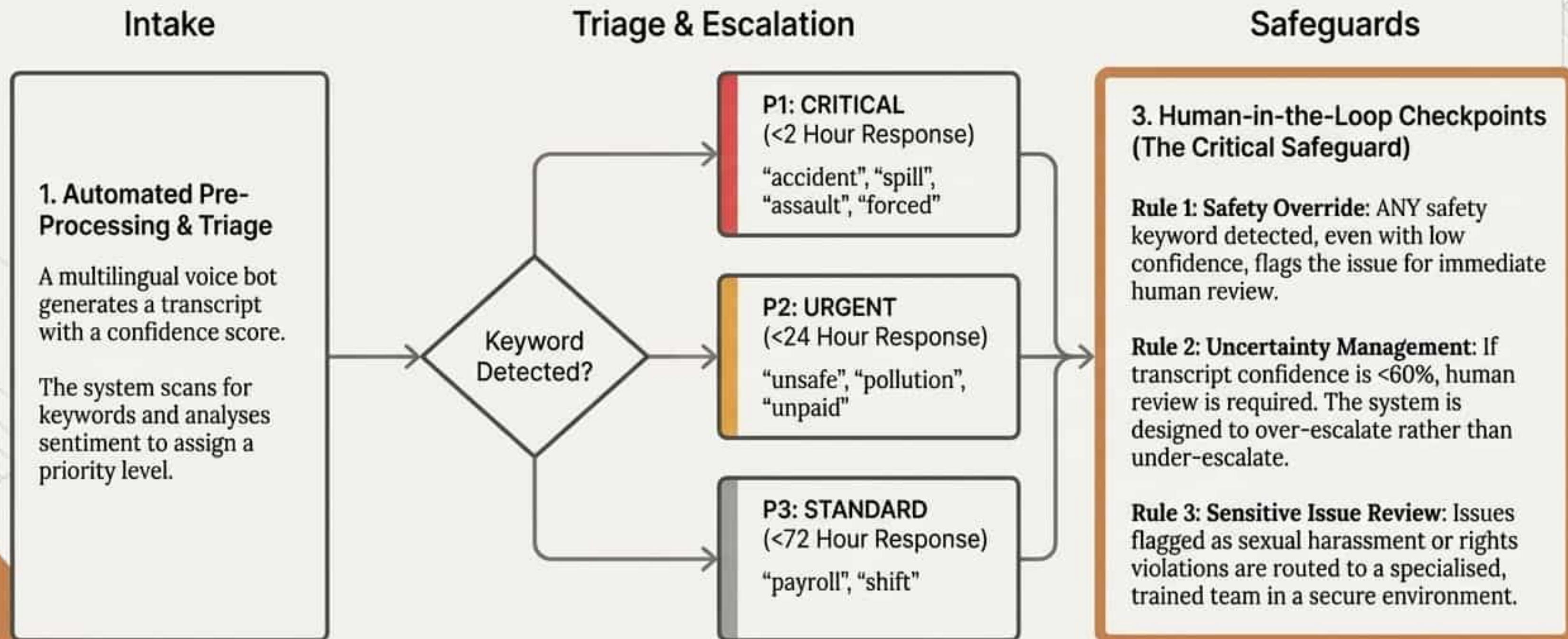
**Principle:** Ensures ultimate accountability for issues unresolved internally.

## Key Feature: Dedicated Channels

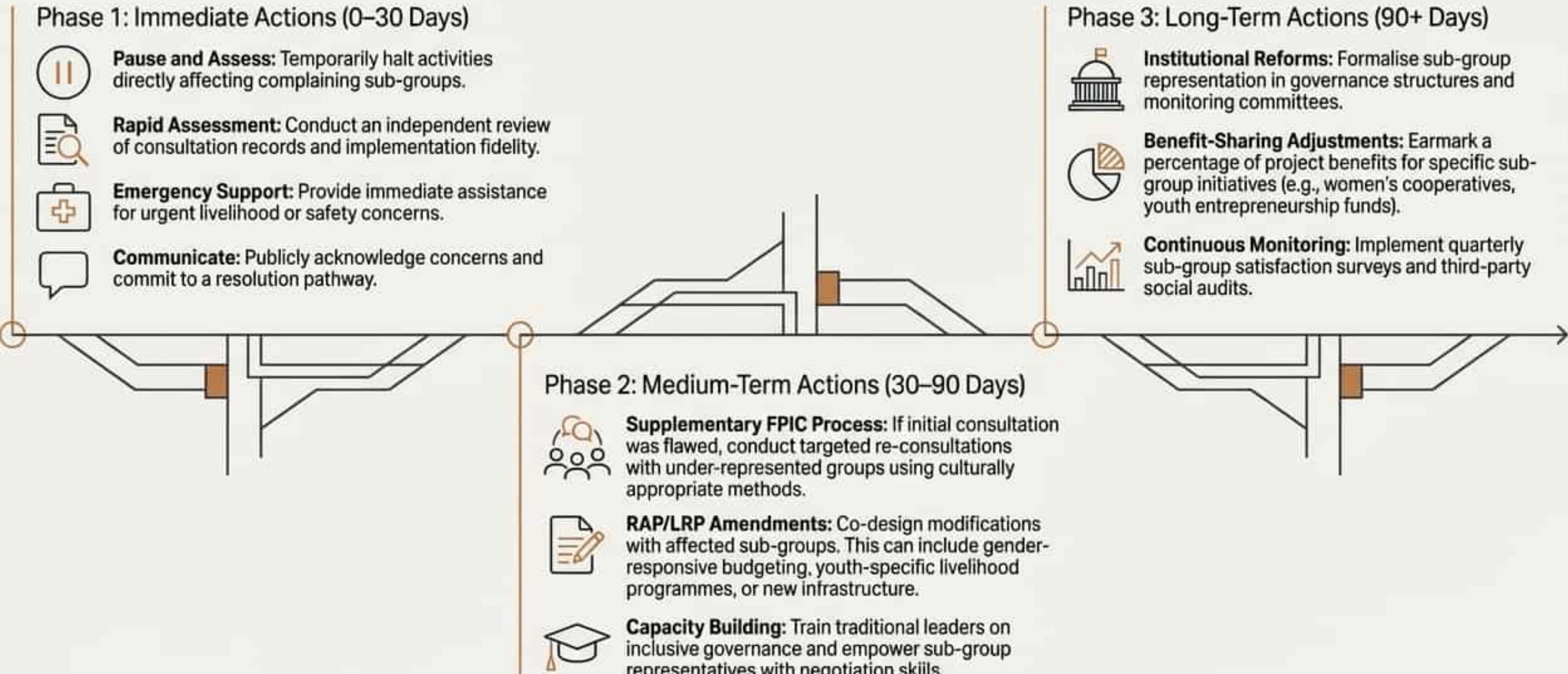
Specific channels are established for marginalised groups, such as women-only forums with female grievance officers, digital platforms for youth, and mobile grievance teams for remote hamlets.



# An Automated Triage and Escalation Rubric Can Systemise Grievance Response



# Grievances are Data: A Corrective Action Protocol Turns Feedback into Systemic Improvement



# Verifying Success Requires a Robust Monitoring & Evaluation Framework for Livelihood Restoration

Progress is tracked against a pre-displacement baseline across four core domains, with a specific focus on vulnerable group outcomes.

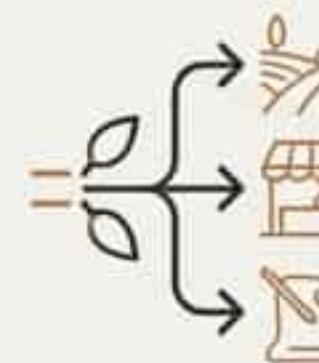
## Indicator 1: Household Income Restoration Rate



**What's Compared:** Pre-displacement baseline income vs. current household income (adjusted for inflation).

**Target:**  $\geq 100\%$  of baseline for standard households;  $\geq 110\%$  for vulnerable groups.

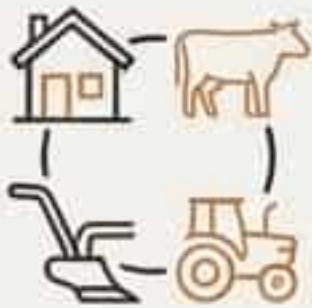
## Indicator 2: Livelihood Diversification Index



**What's Compared:** Number and stability of income sources pre-displacement vs. current.

**Target:** Maintained or increased diversification, reducing dependency on a single income source.

## Indicator 3: Asset Ownership Index



**What's Compared:** Productive and household assets baseline vs. current (land, livestock, equipment, housing quality).

**Target:**  $\geq 100\%$  of baseline asset value, with a focus on secure tenure for land.



## Indicator 4: Social Integration & Well-being Score

**What's Compared:** Access to services, community participation levels, and social network strength.

**Target:** No deterioration from baseline; improvement for vulnerable groups.

# A Mixed-Methods Approach to Data Collection Ensures Both Rigour and Insight

## Method 1: Longitudinal Household Panel Survey (Quantitative Rigour)



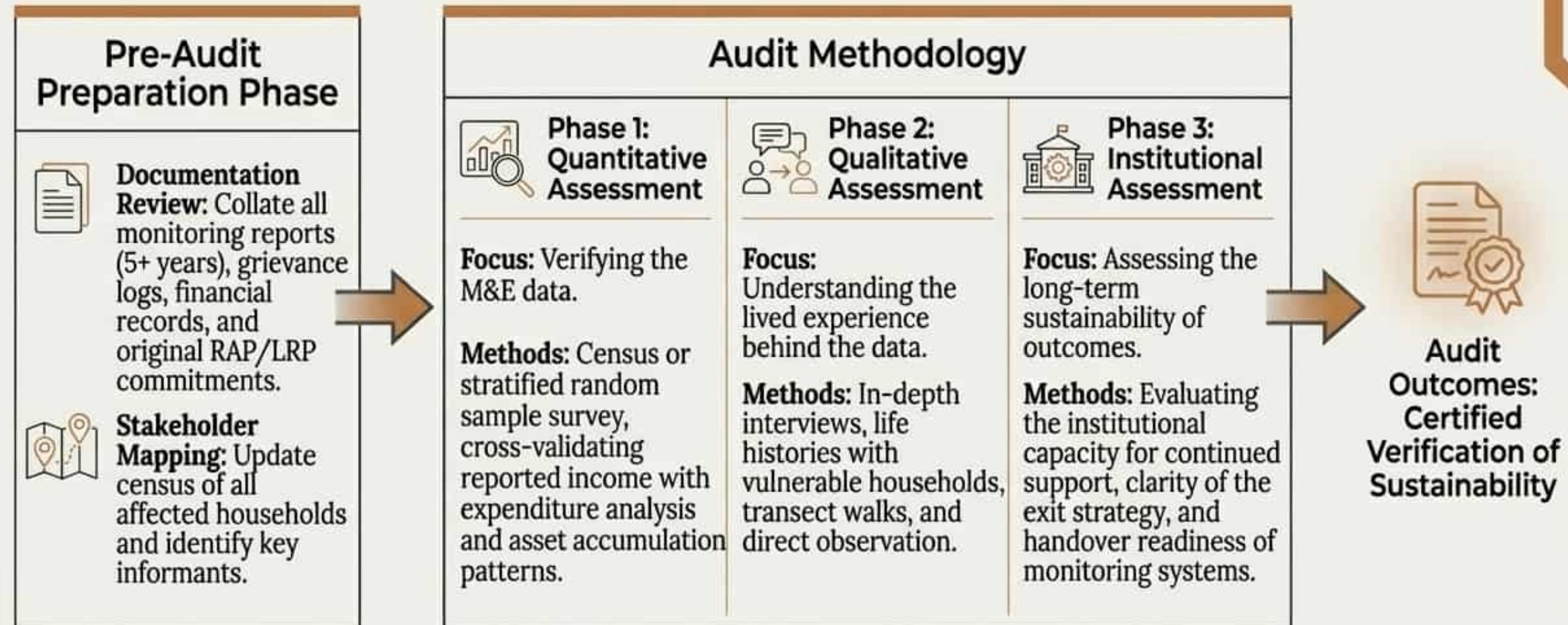
- **Design:** The same households are tracked from baseline through project life to measure change accurately.
- **Sampling:** 100% of severely affected households; stratified random sample of others, with oversampling of vulnerable groups.
- **Key Modules:** Detailed income and expenditure tracking, asset inventories, livelihood activity calendars, women's empowerment metrics (e.g., control over assets).
- **Purpose:** Provides the hard, statistical evidence of restoration.

## Method 2: Participatory Monitoring & Evaluation (PM&E) (Qualitative Insight)



- **Components:** Community scorecards, focus group discussions (segregated by gender, age, livelihood type), and 'Most Significant Change' story collection.
- **Structure:** Involves community-led monitoring committees with vulnerable group representation.
- **Purpose:** Provides the 'why' behind the numbers, identifies hidden barriers, and captures community perception of success.

# The Completion Audit is a Phased Process to Verify Outcomes and Sustainability



# Defining ‘Completion’ When Livelihood Programmes Are Still Ongoing

Completion is not about ending all support; it is achieved when affected people have been provided adequate opportunity and assistance to **sustainably** restore their livelihoods.

## Is a livelihood programme still ongoing?



### Consistent with ‘Completion’ if:

- Trajectory is Positive:** ≥80% of households have already achieved livelihood restoration targets, and the remaining 20% show a clear positive trend.
- Institutional Handover is Secure:** Arrangements are in place to ensure programme continuation post-project (e.g., handed over to local government, community cooperative, or NGO).
- Funding is Ring-Fenced:** The budget for the remainder of the programme is secured and cannot be reallocated.
- A Clear Exit Strategy Exists:** The plan for gradually phasing out support and transitioning to full beneficiary independence is documented and feasible.

## Audit Outcome Scenarios



### Full Completion

All targets met, sustainable arrangements in place.



### Conditional Completion

80%+ targets met, a clear and funded plan exists for the remainder. Requires follow-up verification.



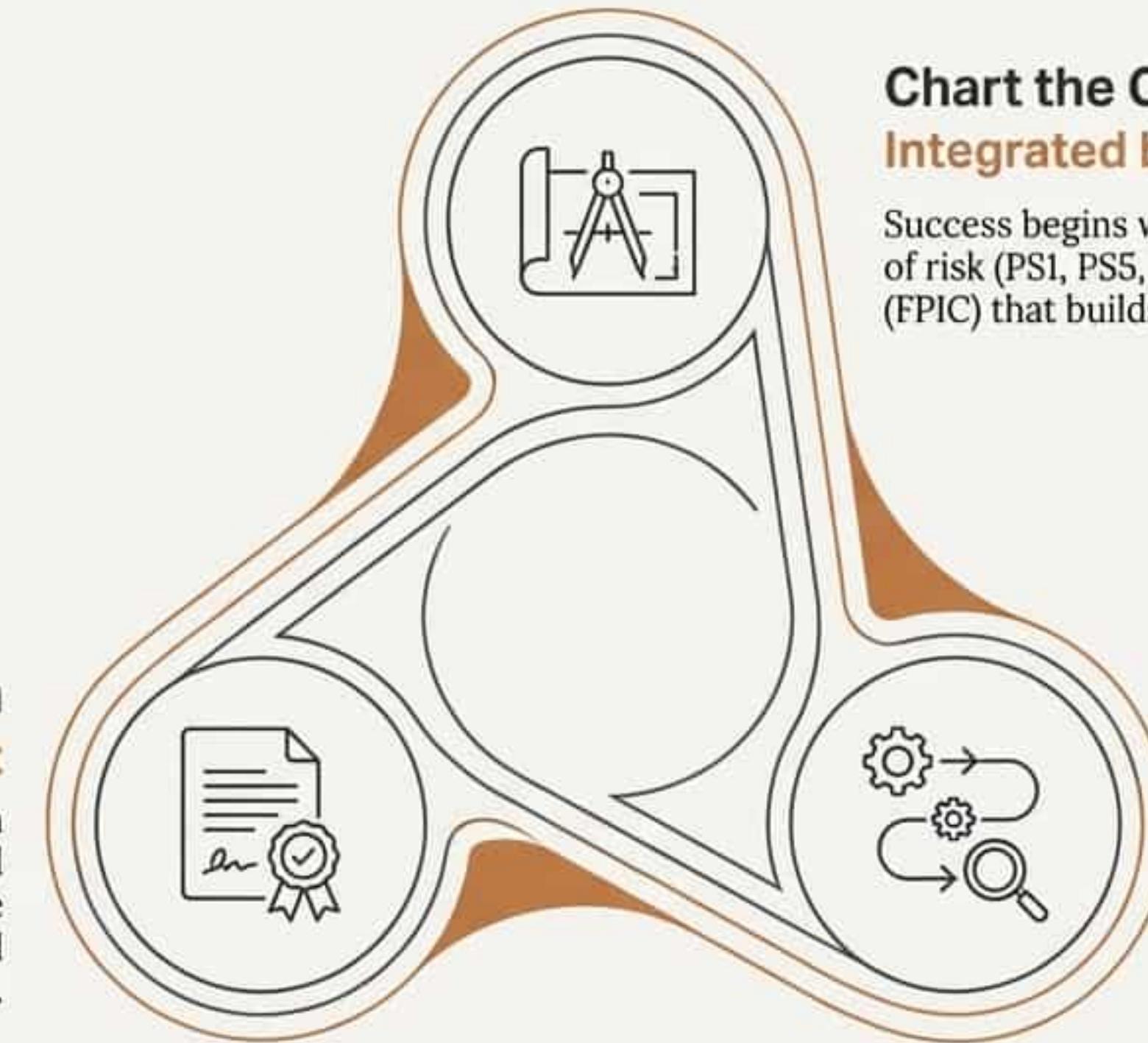
### Non-Completion

Major gaps remain (<70% restoration), vulnerable groups are lagging significantly, or critical programs lack a sustainable future. Requires continued implementation.

# Social Performance Excellence is an End-to-End Commitment

## Verify the Destination Evidenced in Fact

Legacies are built on proven outcomes. Rigorous monitoring and independent audits provide the verifiable evidence of restored livelihoods and sustainable success.



## Chart the Course Integrated by Design

Success begins with a holistic understanding of risk (PS1, PS5, PS7) and a co-design process (FPIC) that builds a robust foundation.

## Navigate the Terrain Adaptive in Practice

Real-world complexity (influx, grievances) is managed through resilient systems that listen, learn, and correct course in real time.

**From blueprint to legacy, the journey is defined by strategic foresight, operational resilience, and unwavering accountability.**