

# A Just Alternative to Development-Forced Displacement

A Policy Proposal to Advance a Just Energy Transition for Project-Affected Communities

October 2025



# The World Needs a Rapid and Just Energy Transition

"The climate crisis demands a rapid shift away from the current fossil fuel-based energy system, but as the UN Secretary-General has declared, it is imperative that this transition be just, people-centered and equity-driven."

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"Development projects that forcibly displace Indigenous Peoples and other land-connected communities are incompatible with those principles."







## Current Approaches to Displacement Have Failed Affected Communities

We have witnessed the disruption and devastation to lives and ecosystems. Half a century of empirical research documents the severe impacts:

- Landlessness & Homelessness
- Food Insecurity
- Increased Morbidity & Marginalisation
- Social Disarticulation
- Threats to Indigenous Peoples' Cultural Survival

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*"Even with the strongest available accountability processes, we have seen how it is usually impossible to restore what was lost."*



# The Failure is Systemic, Rooted in Flawed Standards and Implementation

While standards like the IFC's Performance Standard Standard 5 marked progress, overwhelming evidence shows they fail to prevent impoverishment. The reasons include:



**Assumption of Legitimate Expropriation:** Standards presume a project's purpose justifies displacement, without weighing costs to communities.



**Failure to Consider Alternatives:** Developers' claims of "no feasible alternatives" to avoid displacement are accepted without scrutiny.



**Top-Down Implementation:** Processes are led by consultants accountable to developers, not communities.



**Community Exclusion:** Communities are treated as passive stakeholders, not rights-holders, and are only superficially consulted.

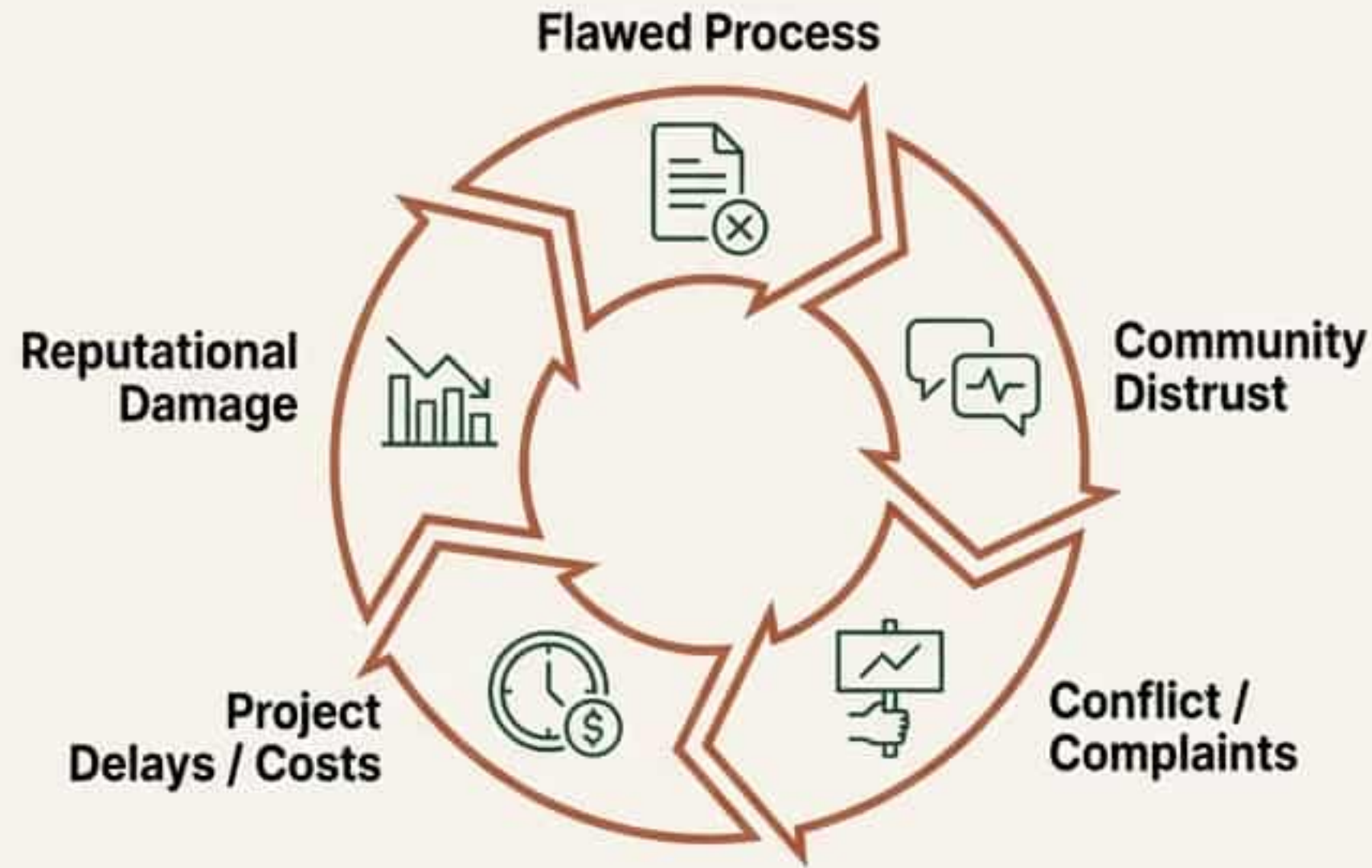


**Weak Enforcement:** Resettlement plans, even if good on paper, are often not implemented effectively.



# Systemic Flaws Fuel Conflict, Costs, and Project Risk

As a result of these gaps... distrust and resentment among affected communities and allied social movements continue to fester, leading to complaints, conflict and costs for everyone involved.



The current approach is not just unjust, it is unsustainable and creates significant material and reputational risks for projects, their financiers, and their buyers.

**Project developers, along with regulators, lenders and buyers, urgently need to adopt a better approach.**



# The Solution Begins with a Foundational Shift: From Stakeholders to Rights-Holders

Indigenous Peoples and other land-connected communities should be recognized as rights-holders, custodians of their land and environment, and capable agents in their own development decisions—including assessing risks, opportunities and trade-offs.

## Stakeholder



Project



Top-Down Consultation

## Rights-Holder



Collaborative Partnership



# A Just Alternative: A Six-Part Framework for Rights-Based Engagement

We call for a new approach premised on respect for dignity and grounded in the Right to Development. To operationalise this, we propose six core measures.

## Phase 1: Foundations for Fairness

1. Access to Information & Support



2. Prioritise Avoidance of Impacts



## Phase 2: The Collaborative Process

3. Rights-Based Mediation



## Phase 3: Safeguards & Accountability

4. Limits on Expropriation



5. Enforceable Agreements



6. Enabling & Using Leverage





# Phase 1: Building the Foundations for Fairness

## Proposal 1: Access to Information and Technical & Legal Support

Provide communities with accessible information and arm's-length funding for independent experts **before** any project decisions are made.

- ✓ Enable communities to conduct their own baseline studies, participate in impact assessments with their own specialists, and design their own benefits packages.

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## Proposal 2: Prioritisation of Designs that Avoid Displacement

Explore all innovative engineering and technical solutions to avoid displacement, even if it increases up-front costs.

- ✓ Focus on minimising impact duration and maximising restoration and return. Ground all strategies in existing community land tenure systems.





# Phase 2: A Collaborative Process Through Rights-Based Mediation

## Proposal 3: Rights-Based Mediation that Addresses Power Imbalances

### Goal

A fair, equitable, and legally binding agreement that protects community rights and leaves them in a better position. The IFC Performance Standards should be the baseline, not the ceiling.

### Process

- Engage in equitable negotiations facilitated by independent, neutral mediators. Mediators should be jointly selected and have expertise in human rights and asymmetric conflict resolution.
- The process must be culturally appropriate and ensure all groups, including marginalised ones, are represented.





# Phase 3: Ensuring Safeguards and Accountability

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## **Proposal 4: Expropriation Only in Accordance with Human Rights Law**

Compulsory land acquisition should only occur in the most exceptional circumstances.

- It requires a rigorous human rights assessment of necessity and proportionality, weighing the project's benefits against community impacts.
- For Indigenous Peoples, expropriation should not proceed without their Free, Prior and Informed Consent (FPIC). Communities must retain the right to designate "no-go zones".

## **Proposal 5: Mechanisms for Monitoring and Enforceability**

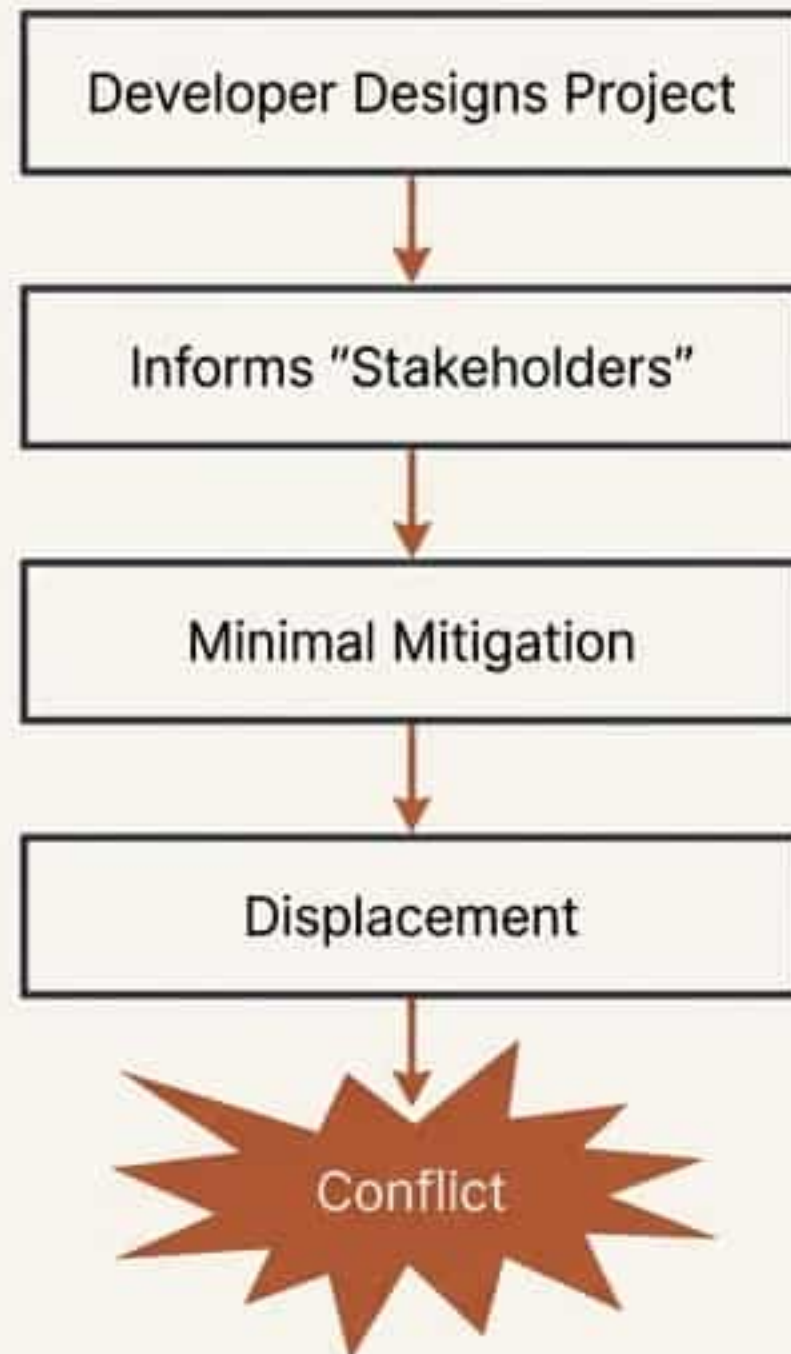
Agreements must be legally binding, clear, and time-bound.

- Include mechanisms for independent monitoring (e.g., expert panels).
- Must be enforceable by communities through courts or human rights-compliant arbitration (e.g., Hague Rules), with legal costs not borne by the community.



# Transforming the Process from Top-Down to Collaborative

## The Old Model (Linear, Top-Down)



## The Just Alternative (Circular, Collaborative)





# The Call to Action: Your Role in Ensuring a Just Approach

Development finance institutions, commercial lenders, investors, and buyers have a critical role and clear responsibilities under the UN Guiding Principles on Business and Human Rights.



## **1. Enable the Approach:**

Proactively provide the resources and services needed for this framework to succeed.



## **2. Use Your Leverage:**

Make your financing and purchasing decisions conditional on the adoption of this just approach.

"We call for the incorporation of the following measures in the updated IFC Sustainability Framework and other relevant standards, and their adoption by project developers, lenders, investors and buyers."



# Action 1: Enable the Approach by Providing Resources

## Fund Independent Support

**What:** Establish pooled funds to finance community technical and legal support throughout the project cycle (negotiation, monitoring, enforcement).

**How:** Ensure funds are administered by a third party independent of the project developer to avoid conflicts of interest.

## Offer Mediation Services

**What:** Make mediation services available for upfront agreement-making between communities and developers.

**How:** If a DFI is involved, make its Independent Accountability Mechanism (IAM) available. In other cases, services can be paid for via the pooled fund.





# Action 2: Use Your Leverage Throughout the Project Cycle

## For Project Financiers (DFIs, Commercial Lenders):

- Withhold loans for projects with significant land impacts in the absence of this approach.
- Require these measures and broad community support (or FPIC) as a condition for loan disbursement.

## For Shareholders:

- Exercise leverage through engagement and shareholder resolutions to ensure company adoption.

## For Buyers & Corporate End Users (e.g., Automotive, Renewable Energy Co's):

- Embed these requirements in due diligence and procurement policies.
- Engage directly with developers and communities through site visits.

## For All Actors:

- Institute material consequences for developers that fail to respect agreements with communities.





**HEADLINE:** A Just Approach is the Only Path to a Successful Transition

**KEY TAKEAWAY:** This framework is not an obstacle to development, but a prerequisite for it. It is the key to securing genuine broad community support, a principle already recognised as essential for responsible development.

**CONCLUDING STATEMENT:** By adopting this approach, we can move beyond a legacy of conflict and impoverishment to build a truly rapid and just energy transition that benefits everyone.

**Endorsed by:** BRICS Feminist Watch | Centre for Human Rights and Development Mongolia | Center for Energy, Ecology and Development | Pakistan Fisherfolk Forum | Freedom from Debt Coalition (Philippines) | Pakaid | EcoLur International | Legal Rights and Natural Resources Center (Philippines)

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