

# Draft ASI Performance Standard V4 (PS V4)

1<sup>st</sup> Consultation Draft

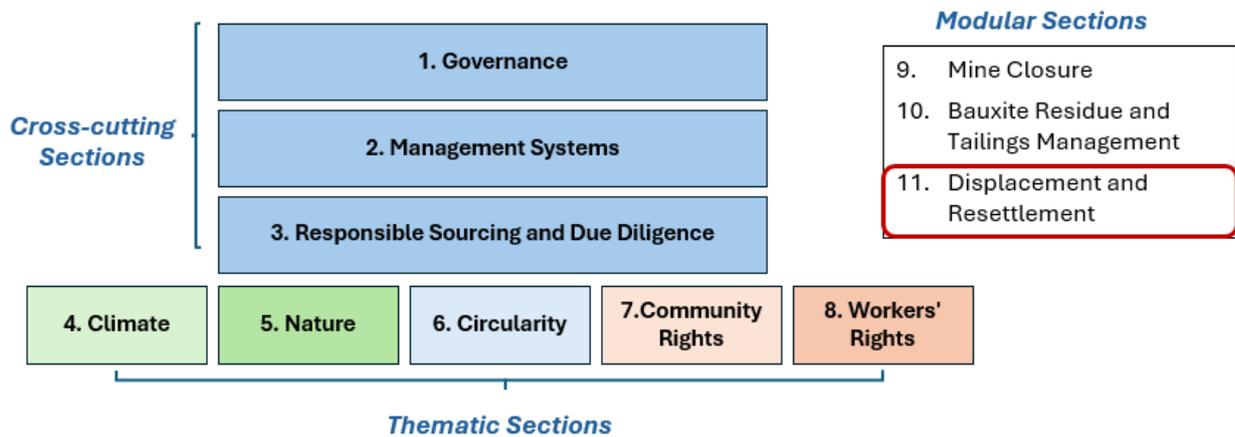
## ***Modular Section 11: Displacement and Resettlement***

February 2026

## Introduction

The ASI Performance Standard v4 (PS V4) consultation draft includes a [main standard](#) (PDF) with eight sections, as well as three ‘modular’ sections. These modular sections are separate documents and applicable only in specific contexts.

ASI PS V4 Proposed Structure: Consultation Draft



This *Section 11: Displacement and Resettlement* is one of the modular sections and applies in cases where new projects or major changes result in physical or economic displacement. See the ‘General Applicability’ section on page 2 for more detail.

ASI is seeking feedback on this consultation draft as part of the **first public consultation on the revised Performance Standard V4 (PS V4)**. The consultation is open from **17 February – 20 April 2026** and more information can be found on the [consultation webpage](#), including how to give your input.

## Context for consultation and alignment with IFC Performance Standard 5:

In the current ASI Performance Standard V3 (PS V3), Criterion 9.6 Displacement includes a general reference to alignment with IFC Performance Standard 5 (“develop a Resettlement Action Plan that covers, at a minimum: i. the applicable requirements of IFC Performance Standard 5 (Land Acquisition and Involuntary Resettlement)”). However, this general reference is difficult to implement or audit consistently. As part of the ASI Standards revision, early input from the Community Rights Working Group and civil society reviews supported ASI further aligning with IFC requirements in these areas, so that Entities have a harmonized approach.

This draft now aligns fully with [IFC PS 5: Land Acquisition and Involuntary Resettlement: 2012](#), except for minor adjustments as specified in the explanatory notes (e.g. a specific reference FPIC requirements, consistent with current PS V3).

The displacement and resettlement criteria have also been moved from the main ASI Performance Standard and made into a modular section. This aims to improve usability for Entities and auditors, as Section 11 will only be consulted when applicable. It also enables easier updating in the future, for example to align with planned revisions to IFC PS 5.

## 11. Displacement and Resettlement

### Overview of subsections:

- 11.1. Planning for displacement and resettlement
- 11.2. Consultation with affected communities
- 11.3. Resettlement plans for physical displacement
- 11.4. Compensation for physical displacement
- 11.5. Displacement of Indigenous Peoples
- 11.6. Compensation for economic displacement
- 11.7. Private sector responsibilities under government-managed resettlement

**General applicability for Section 11:** *This modular section applies to any Entity where new projects or major changes result in potential or actual economic or physical displacement, as per the following (source: IFC Performance Standard 5: 2012, Paragraph 5):*

- *Land rights or land use rights acquired through expropriation or other compulsory procedures in accordance with the legal system of the host country;*
- *Land rights or land use rights acquired through negotiated settlements with property owners or those with legal rights to the land if failure to reach settlement would have resulted in expropriation or other compulsory procedures;*
- *Project situations where involuntary restrictions on land use and access to natural resources cause a community or groups within a community to lose access to resource usage where they have traditional or recognizable usage rights;*
- *Certain project situations requiring evictions of people occupying land without formal, traditional, or recognizable usage rights;*
- *Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, freshwater, medicinal plants, hunting and gathering grounds and grazing and cropping areas.*

*It does not apply to cases of voluntary land transactions or impacts on livelihoods where the land use is not affected.*

*For new projects and major changes initiated pre-2022: this section applies only to those projects initiated after the Entity joined ASI. For new projects or major changes initiated from 01 January 2022 onwards: this Criterion applies to all projects [consistent with applicability for ASI PS V3 Criterion 9.6 on Resettlement]*

## 11.1. Planning for displacement and resettlement

In this Standard, the concept of *displacement* and *displaced persons* includes the following scenarios:

- (i) Those who have formal legal rights to the land they occupy;
- (ii) Those who do not have formal legal rights to land, but have a claim to land that is recognized or recognizable under the national laws;
- (iii) Those who have no recognizable legal right or claim to the land they occupy.

The carrying out of a census (as per 11.1.1.2) will help the Entity establish the status of displaced persons. Reference: *IFC Performance Standard 5, Land Acquisition and Involuntary Resettlement, 2012, paragraph: 17, available at: <https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standard-5-en.pdf>*

Land acquisition and/or restrictions on land use due to the Entity's projects may result in the physical displacement of people as well as their economic displacement. Consequently, requirements of this Standard in respect of physical displacement and economic displacement may apply simultaneously

Criterion 11.1.1. When displacement cannot be avoided, the Entity takes steps to identify, mitigate, and monitor impacts on displaced persons.	Notes
<p>11.1.1.1. When displacement cannot be avoided, the Entity shall offer displaced persons and communities compensation for loss of assets at full replacement cost and other assistance to help them improve or at least restore their standards of living or livelihoods. Standards for compensation shall be transparent.</p> <p><i>Reference: IFC PS 5, Paragraph 9. Explanatory notes: Where livelihoods of displaced persons are land-based, or where land is collectively owned, the Entity should offer land-based compensation, where feasible. The Entity should provide opportunities to displaced persons and communities to derive appropriate development benefits from the project. The Entity is expected to first consider alternatives to avoid or at least minimise displacement in project planning – this is covered under 2.5: Impacts of new projects and major changes.</i></p>	<p>Minor change (9.6 b)</p> <p><i>See applicability at section level (Pg. 2)</i></p>
<p>11.1.1.2. Where involuntary resettlement is unavoidable, the Entity shall carry out a census with appropriate socio-economic baseline data to identify persons who will be displaced, to determine who will be eligible for compensation and assistance, and to discourage ineligible persons from claiming benefits.</p> <p><i>Reference: IFC PS 5, Paragraph 12. Explanatory notes: In the absence of host government procedures, the Entity should establish a cut-off date for eligibility and make sure this is well documented and disseminated throughout the project area.</i></p>	<p>New*</p> <p><i>See applicability at section level (Pg. 2)</i></p>
<p>11.1.1.3. If affected persons reject compensation offers that meet the requirements of this Standard, and, as a result, expropriation or other legal procedures are initiated, the Entity shall explore opportunities to collaborate with the responsible government agency, and, if permitted by the agency, play an active role in resettlement planning, implementation, and monitoring.</p> <p><i>Reference: IFC PS 5, Paragraph 13</i></p>	<p>New*</p> <p><i>See applicability at section level (Pg. 2)</i></p>
<p>11.1.1.4. Establish procedures to monitor and evaluate the implementation of a resettlement action plan (see 11.3.1.1) or livelihood restoration plan (see 11.6.1.1) and take corrective action as necessary.</p> <p><i>Reference: IFC PS 5, Paragraph 14</i></p>	<p>Minor change (9.6.g)</p>

\* New as explicit requirement, but previously implied through alignment with IFC v5 under PS V3 Criterion 9.6

	See applicability at section level (Pg. 2)
<p>11.1.1.5. Establish procedures to verify completion of the implementation of a resettlement action plan and/or livelihood restoration plan. This shall happen when the adverse impacts of resettlement have been addressed in a manner that is consistent with the relevant plan as well as the objectives of this Standard and may require an external completion audit to assess whether the expected outcomes have been achieved.</p> <p><i>Reference: IFC PS 5, Paragraph 15</i></p>	<p>New*</p> <p>See applicability at section level (Pg. 2)</p>

## 11.2. Consultation with affected communities

Criterion 11.2.1. The Entity consults with and supports informed participation of communities affected by displacement	Notes
<p>11.2.1.1. The Entity shall consult with and facilitate the informed participation of affected communities, including host communities, in decision-making processes related to resettlement.</p> <p><i>Reference: IFC PS 5, Paragraph 10. Consultation should continue during the implementation, monitoring, and evaluation of compensation payment and resettlement to achieve outcomes that are consistent with the objectives of this Standard. See also ASI Performance Standard v4 section 7.3: Community consultation for requirements around documenting the consultation process and key outcomes.</i></p>	<p>Minor change (9.6 b)</p> <p>See applicability at section level (Pg. 2)</p>
<p>11.2.1.2. Affected communities are informed about the Entity’s complaints mechanism as (as per Section 1.2: Complaints resolution mechanism) and understand how to raise a complaint or grievance through this process</p> <p><i>Reference: IFC PS 5, Paragraph 10. See also ASI Performance Standard V4 section 1.2: Complaints resolution mechanism</i></p>	<p>Existing (3.4b)</p> <p>See applicability at section level (Pg. 2)</p>

## 11.3. Resettlement plans for physical displacement

Criterion 11.3.1. For physical displacement, the Entity develops and implements a resettlement action plan to mitigate impacts and deliver positive benefits.	Notes
<p>11.3.1.1. In the case of physical displacement, the Entity shall develop and implement a resettlement action plan or framework that covers the applicable requirements of this Standard. The plan or framework shall:</p> <ol style="list-style-type: none"> <li>Include compensation at full replacement cost for land and other assets lost.</li> <li>Be designed to mitigate the negative impacts of displacement, identify development opportunities</li> <li>Include a resettlement budget and schedule;</li> <li>Establish the entitlements of all categories of affected persons (including host communities)</li> <li>Include particular attention on the needs of the poor and the vulnerable</li> </ol>	<p>Minor change (9.6.b)</p> <p>See applicability at section level (Pg. 2)</p>

<p><i>Reference: IFC PS 5, Paragraph 19, 16. Explanatory notes: Where the exact nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown due to the stage of project development, the Entity should develop a resettlement framework outlining general principles compatible with this Standard. Once the individual project components are defined and the necessary information becomes available, such a framework can be expanded into a specific plan in accordance with this Criterion.</i></p>	
<p>11.3.1.2. Document all transactions to acquire land rights, as well as compensation measures and relocation activities.</p> <p><i>Reference: IFC PS 5, Paragraph 19.</i></p>	<p>New*</p> <p><i>See applicability at section level (Pg. 2)</i></p>

## 11.4. Compensation for physical displacement

Criterion 11.4.1. The Entity implements measures to minimise negative impacts from physical displacement and to provide fair and transparent compensation to affected persons and communities.	Notes
<p>11.4.1.1. For cases where people living in the project area must move to another location, the Entity shall:</p> <ul style="list-style-type: none"> <li>a. offer displaced persons choices among feasible resettlement options, including adequate replacement housing or cash compensation where appropriate; and</li> <li>b. provide relocation assistance suited to the needs of each group of displaced persons, with particular attention paid to the needs of the poor and the vulnerable. Alternative housing and/or cash compensation shall be made available prior to relocation. New resettlement sites built for displaced persons shall offer improved living conditions.</li> </ul> <p><i>Reference: Aligns with IFC PS 5, Paragraph 20. Explanatory notes: The displaced persons’ preferences with respect to relocating in preexisting communities and groups should be taken into consideration. Existing social and cultural institutions of the displaced persons and any host communities should be respected.</i></p>	<p>New*</p> <p><i>See applicability at section level (Pg. 2)</i></p>
<p>11.4.1.2. For displaced persons who have formal legal rights to the land they occupy; or those who do not have formal legal rights to land, but have a claim to land that is recognized or recognizable under the national laws, the Entity shall:</p> <ul style="list-style-type: none"> <li>a. offer the choice of replacement property of equal or higher value, equivalent or better characteristics and advantages of location, or</li> <li>b. offer cash compensation at full replacement value where appropriate.</li> </ul> <p><i>Reference: IFC PS 5, Paragraph 21. Explanatory notes: As described in Performance Standard 5, paragraph 17, displaced persons may have formal legal rights to the land; they may have recognized but not formal legal rights to land (e.g., through traditional customary claim to the land or communal possession of community land); or they may have no recognizable legal right to the land they occupy (e.g., informal or opportunistic settlers). See also IFC PS 5 Guidance Notes, GN 14.</i></p>	<p>New*</p> <p><i>See applicability at section level (Pg. 2)</i></p>
<p>11.4.1.3. For displaced persons who have no recognizable legal right or claim to the land they occupy, the Entity shall offer them a choice of options for adequate housing with security of tenure so that they can resettle legally without having to face the risk of forced eviction.</p>	<p>New*</p>

\* New as explicit requirement, but previously implied through alignment with IFC v5 under PS V3 Criterion 9.6

<p><b>Reference:</b> IFC PS 5, Paragraph 22, 23. <b>Explanatory notes:</b> Where these displaced persons own and occupy structures, the Entity should compensate them for the loss of assets other than land, such as dwellings and other improvements to the land, at full replacement cost, provided that these people occupy the project area prior to the cut-off date for eligibility. Compensation in kind will be offered in lieu of cash compensation where feasible. Based on consultation with such displaced persons, the Entity should provide relocation assistance sufficient for them to restore their standards of living at an adequate alternative site. The Entity is not required to compensate or assist those who encroach on the project area after the cut-off date, provided the cut-off date has been clearly established and made public.</p>	<p>See applicability at section level (Pg. 2)</p>
<p>11.4.1.4. Not carry out forced evictions, except in accordance with law and the requirements of this Standard</p> <p><b>Reference:</b> IFC PS 5, Paragraph 24. <b>Explanatory notes:</b> Forced evictions refer to the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or lands which they occupy without the provision of, and access to, appropriate forms of legal and other protection (see IFC PS 5, Paragraph 24 footnote)</p>	<p>New*</p> <p>See applicability at section level (Pg. 2)</p>

## 11.5. Displacement of Indigenous Peoples

<p><b>Criterion 11.5.1. Entities respect the specific rights and protections of Indigenous Peoples affected by displacement.</b></p>	<p>Notes</p>
<p>11.5.1.1. Where communities of <u>Indigenous Peoples</u> are to be physically displaced from their communally held traditional or customary lands under use, the Entity shall:</p> <ol style="list-style-type: none"> <li>Consider feasible alternative project designs to avoid the relocation of Indigenous Peoples from their communally held traditional or customary lands under use.</li> <li>If relocation is unavoidable, not proceed with the project unless the Entity enters into a good faith negotiation with the affected communities of Indigenous Peoples, and documents their informed participation and the successful outcome of the negotiation.</li> </ol> <p><b>Reference:</b> IFC PS 5, Paragraph 10 and IFC PS 7, Section 14. <b>Explanatory notes:</b> Indigenous Peoples are often closely tied to their lands and related natural resources. Frequently, these lands are traditionally owned or under customary use. While Indigenous Peoples may not possess legal title to these lands as defined by national law, their use of these lands, including seasonal or cyclical use, for their livelihoods, or cultural, ceremonial, and spiritual purposes that define their identity and community, can often be substantiated and documented. [Reference, IFC PS 7, Section 13]. Refer to ASI <a href="#">Consultation Draft PS V4</a> (Glossary) for definition of Indigenous Peoples.</p>	<p>New *</p> <p>Applicable: If there is physical displacement of Indigenous Peoples</p>
<p>11.5.1.2. Where Indigenous Peoples are affected by physical or economic displacement, obtain their <u>Free, Prior, and Informed Consent (FPIC)</u> as per Section 7.6 of the ASI Performance Standard V4. This shall include some form of documentation as agreed by both parties.</p> <p><b>Explanatory notes:</b> This requirement is consistent with Criterion 9.6 under the current V3 of the ASI Performance Standard and is not a direct alignment to IFC PS 5. Refer to ASI <a href="#">Consultation Draft PS V4</a> (Glossary) for definition of FPIC.</p>	<p>Existing (9.6h and i)</p> <p>Applicable: If there is physical or economic displacement of Indigenous Peoples</p>

\* New as explicit requirement, but previously implied through alignment with IFC v5 under PS V3 Criterion 9.6

## 11.6. Compensation for economic displacement

Criterion 11.6.1. Entities provide fair and transparent compensation to those affected by economic displacement.	Notes
<p>11.6.1.1. Where projects result in economic (but not physical displacement), develop a livelihood restoration plan to compensate affected persons and/or communities, including establishing their entitlements in a transparent, consistent, and equitable manner.</p> <p><i>Reference: IFC PS 5, Paragraph 25, 16. Explanatory notes</i> Where the exact nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause economic displacement is unknown due to the stage of project development, The Entity should develop a livelihood restoration framework outlining general principles compatible with this Standard. Once the individual project components are defined and the necessary information becomes available, such a framework can be expanded into a specific plan in accordance with this Criterion.</p>	<p>New*</p> <p><i>See applicability at section level (Pg. 2)</i></p>
<p>11.6.1.2. Where land acquisition causes loss of income or livelihood, regardless of whether the affected people are physically displaced, the Entity shall:</p> <ol style="list-style-type: none"> <li>Promptly compensate economically displaced persons for loss of assets or access to assets at full replacement cost</li> <li>Where livelihoods or income levels of displaced persons are adversely affected, provide opportunities to improve, or at least restore, their means of income-earning capacity, production levels, and standards of living</li> <li>Provide transitional support based on a reasonable estimate of the time required to restore income-earning capacity, production levels, and standards of living for economically displaced persons.</li> </ol> <p><i>Reference: IFC PS 5, Paragraphs 26-29. This should include:</i></p> <ul style="list-style-type: none"> <li><i>In cases where land acquisition affects commercial structures, compensate the affected business owner for the cost of reestablishing commercial activities elsewhere, for lost net income during the period of transition, and for the costs of the transfer and reinstallation of the plant, machinery or other equipment</i></li> <li><i>Provide replacement property (e.g., agricultural or commercial sites) of equal or greater value, or cash compensation at full replacement cost where appropriate, to persons with legal rights or claims to land which are recognized or recognizable under the national laws (see definition of displaced persons)</i></li> <li><i>Compensate economically displaced persons who are without legally recognizable claims to land (see definition of displaced persons) for lost assets (such as crops, irrigation infrastructure and other improvements made to the land) other than land, at full replacement cost. The Entity is not required to compensate or assist opportunistic settlers who encroach on the project area after the cut-off date</i></li> <li><i>Provide additional targeted assistance (e.g., credit facilities, training, or job opportunities) and opportunities to improve or at least restore their income-earning capacity, production levels, and standards of living to economically displaced persons whose livelihoods or income levels are adversely affected</i></li> </ul>	<p>New*</p> <p><i>See applicability at section level (Pg. 2)</i></p>

## 11.7. Private sector responsibilities under government-managed resettlement

Criterion 11.7.1. The Entity collaborates with government agencies to mitigate negative impacts of government-managed resettlement	Notes
<p>11.7.1.1. Where land acquisition and resettlement are the responsibility of the host government, the Entity shall collaborate with the responsible government agency, to the extent permitted by the agency, to achieve outcomes that are consistent with the objectives of this Standard. In addition, where government capacity is limited, the Entity will play an active role during resettlement planning, implementation and monitoring, as described in the requirements below.</p> <p><i>Reference: IFC PS 5, Paragraph 30.</i></p>	<p>New*</p> <p><i>Applicable: In cases of government organised resettlement</i></p>
<p>11.7.1.2. In the case of acquisition of land rights or access to land through compulsory means or negotiated settlements involving physical displacement, the Entity shall first review planned government resettlement measures. If these do not meet outcomes and objectives as set out in this standard, then the Entity shall prepare a supplemental resettlement plan that addresses any gaps.</p> <p><i>Reference: IFC PS 5, Paragraph 31. Explanatory notes: This should include at minimum (i) identification of affected people and impacts; (ii) a description of regulated activities, including the entitlements of displaced persons provided under applicable national laws and regulations; (iii) the supplemental measures to achieve the requirements of this Standard, and (iv) the financial and implementation responsibilities of the Entity in the execution of the supplemental plan.</i></p>	<p>New*</p> <p><i>Applicable: same as 11.7.1.1</i></p>
<p>11.7.1.3. In the case of projects involving economic (but not physical) displacement, the Entity shall identify and describe the procedures that the responsible government agency plans to use to compensate affected persons and communities.</p> <p>a. If these procedures do not meet the relevant requirements of this Standard, the Entity shall develop its own additional procedures to supplement government action and address these gaps</p> <p><i>Reference: IFC PS 5 Paragraph 32.</i></p>	<p>New*</p> <p><i>Applicable: same as 11.7.1.1</i></p>

\* New as explicit requirement, but previously implied through alignment with IFC v5 under PS V3 Criterion 9.6  
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