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Induced impacts are difficult to predict and poorly addressed in impact assessment. Assigning responsibility for their mitigation is particularly challenging.



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**FASTIPS**

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# Induced Impacts

Induced impacts, a form of indirect impacts, result from activities that occur in response to socio-economic opportunities associated with new development: e.g., giving access to previously remote areas and untapped resources, potential employment, and/or enterprises to service new settlements.

Induced impacts may be attributable to a project's facilities and activities, or to "associated facilities" that are not funded by the project, but without which the project would not be viable, e.g., an export pipeline needed to make an oil production facility economic. Induced activities are not part of the project scope, design, or objectives and may not be essential for it to operate. In effect, they compound impacts from project and associated activities and result in cumulative impacts.

Induced impacts can occur in different phases of development and to different extents, leading to land- and resource-use changes. They are difficult to predict accurately and present challenges for mitigation. Apportioning responsibility for these impacts is a challenge, as both developers and authorities may consider induced impacts to be outside their management control or responsibility. Induced impacts thus often "fall through the cracks" and go unmitigated.

In rural communities, people rely heavily on services provided by ecosystems ("ecosystem services") for their wellbeing, and poor people often rely on them for their subsistence and livelihoods. An influx of people can cause social tensions, cultural conflict, and competition for scarce resources such as medicinal plants, fuel wood, farmland, and bush meat. Where new arrivals settle in the area and cannot find work, they rely on "free" natural resources and may turn to illegal activities for livelihoods (e.g., poaching). The expansion of settlements or establishment of new ones in wilderness areas can also expose people to diseases typically associated with wildlife.

In urban settings, a growing population catalyzed by new development can strain infrastructure and services leading, e.g., to poor sanitation, health risks, and fire hazards. This population growth can result in social conflicts and diseases associated with land-use change or introduced by newcomers.

Assessing and managing induced impacts is essential. For biodiversity, there are limits to loss, as extinction is forever. For the wellbeing of affected communities, there are limits to ecosystem services and their substitution. Induced impacts can increase the vulnerability of people, aggravate social tensions, and compromise their health, livelihoods, and wellbeing.

Mitigation of induced impacts tends to comprise "alternative livelihoods" programmes, "in-migration controls," and monitoring, focused on local communities. This approach often overlooks the implications of induced impacts for other communities in the wider area of influence. The allocation of controls and responsibilities to different role players is crucial to assess and manage induced impacts, as is the understanding of the available capacity to manage impacts.

## FIVE IMPORTANT THINGS TO KNOW

1. Induced impacts are an important category of indirect impact, contributing to cumulative impacts. They are seldom addressed in impact assessments and are poorly mitigated.
2. Significant induced impacts can result from activities that occur in response to socioeconomic opportunities created either by a project's activities and/or its associated facilities and activities.
3. Induced activities and impacts may affect biodiversity, ecosystems, social structures, and people in a much wider area of influence than might otherwise be defined.
4. Additional pressures on the diminishing ecosystems and services that remain following development can have significant consequences for the livelihoods, health, and cultural practices of affected communities.
5. Induced impacts are complex, difficult to predict, and challenging to manage because it is difficult to hold developers to account for impacts that are not directly related to their project.

### FURTHER READING

IFC 2009. *A Handbook for Addressing Project-Induced In-Migration*. Washington, D.C.

IFC 2013. *Cumulative impact assessment and management guidance for the private sector in emerging markets: Good practice handbook*. World Bank Group, Washington, DC, USA. [www.ifc.org](http://www.ifc.org).

## FIVE IMPORTANT THINGS TO DO

1. Systematically assess project activities and associated facilities and their potential to catalyze induced activities, considering the type and scale of socioeconomic opportunities presented by the project; then identify induced impacts linked to induced activities.
2. Engage with local communities, local authorities, and indigenous peoples to draw on their traditional knowledge and experience. Identify their dependence on ecosystem services and natural resources, and their specific vulnerabilities and concerns about an influx of people. Identify unique or irreplaceable biodiversity that would be vulnerable to loss.
3. Involve specialists with social, economic, health, and biodiversity expertise to collaborate on identifying and formulating mitigation measures for induced impacts, giving due consideration to the linkages between natural and social systems.
4. Require coordination, cooperation, and collective action from the developer, local and regional authorities, and community representatives to manage induced impacts.
5. Ensure that responsibilities for management are clearly and fairly allocated, and robust monitoring programmes are set in place to inform adaptive or corrective action.

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