Best Practice in Social Assessment and Resettlement Planning for Hydropower Projects

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Delivering sustainable solutions in a more competitive world
Hydropower: A resurgent interest

- Interest and investment in hydropower projects increasing
- End of the “unfashionable” years of late 20th century
- Africa has range of drivers for new interest
  - Energy demands of growing economies
  - Climate change concerns mounting
  - etc...
A changing investment climate

- Major changes in lenders’ requirements for EHSS performance of projects that they finance.

- Represents a quantum shift since the first hydropower era of the 50s, 60s and 70s.

- Major challenges regarding social assessment and resettlement
What is involuntary resettlement?

No right to refuse land acquisition

- Physical displacement (ie relocation or loss of shelter)
- Economic displacement (ie loss of income, livelihood)
What is the effect of resettlement on people?

- Potential risks of impoverishment:
  - Homelessness, landlessness, joblessness.
  - Food insecurity, increased morbidity and mortality.
  - Loss of access to common property.
  - Marginalisation, disruption of social networks.

- Inherent difficulties in restoration (eg traditional livelihoods, community networks).
What are the risks to the project proponents?

- Protests from local community resulting in disruptions and delays to project schedule.
- Cheaper to plan proactively than manage grievances, compensation court claims.
- Strained relations with local government authorities.
- Tends to be an area for NGO and media criticism.
- Reputational risk: proponent and financiers.
What are the relevant standards?

- Government legislation and policy (eg land expropriation resettlement policy).
- Corporate policy, guidelines.
- Financing institutions (eg IFC, World Bank, commercial):
  - also African Development Bank (2003); OECD (1992); etc.
Key Best Practice Principles

AVOID or minimise resettlement

*If resettlement cannot be avoided:*

1. At a minimum restore and preferably improve livelihoods of affected people.
2. Land based/ in kind replacement preferred.
3. Recognise all affected people (ie those with and without legal rights, traditional, customary rights).
4. Appropriate community engagement.
5. Private sector responsible even under Government managed resettlement.
Resettlement Challenges: Replacing land with land

Example: Replacement of agricultural land in Benin

- Viability of land option
- Provision of information
- Preference for cash
- Cash spending on non productive assets
Resettlement Challenges: *Replacement of communal resources*

Example: Grazing land in Botswana

- No legal requirement.
- Availability of suitable alternative land.
- Alternative livelihood development.
Resettlement Challenges: *Inclusion of all affected people*

*Example: Labourers in Togo*

- No legal requirement.
- Landless, dependent therefore vulnerable.
- Often not identified as affected.
- Fall through the net, unable to secure alternative work.
Resettlement Challenges: Determining relocation sites

Example: Ghana - integration into existing villages vs. construction of new settlements

- Provide viable options.
- Options should consider existing livelihoods, other requirements.
- Based on informed preferences of affected.
Resettlement Challenges: Restoration of Fishing livelihoods

Example: Fishing grounds in Angola

- Limited legislative requirements.
- Determination of eligibility.
- Availability of accessible alternative fishing grounds.
Resettlement Challenges: *Institutional Capacity*

- Limited awareness of international requirements.
- Reluctance to adopt standards.
- Not keen to set a precedent.
- Limited resources.
- Ongoing commitment.
- Continuity of people.
- Takes time....
Resettlement Challenges: Complexity, Timing and Resources

- The time and resources required to plan and implement resettlement is often underestimated.

- Time-consuming factors include:
  - Determining scale of the resettlement.
  - Closing gap - legislative vs. international requirements.
  - Identifying and working with local protocols.
  - Ongoing, frequent consultation with government and affected people.
  - Baseline studies, including census (of all affected people) and valuation of all affected assets.
  - Implementation process.
What is a Resettlement Action Plan (RAP)?

- Plan that outlines how the resettlement will be managed to fulfil objectives of the IFC performance standard (or other):
  - Identifies the impacts, types and levels of compensation and other measures based on the value of assets that will be lost.
  - Includes action plan for allocating compensation and budget for implementation, compensation etc.

- Once the RAP has been developed, it must be implemented:
  - eg household level agreement on compensation, payment of compensation, identification of replacement land, etc.
Resettlement Life Cycle

- Early identification of issue and scope
- Resettlement planning
- Implementation
- Audit and evaluation
- Monitoring
Case Study: Bui HEP, Ghana

**Client:** Bui Development Commission.

**Funding:** Ministry of Energy, Government of Ghana.

**Outputs:** Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP), Resettlement Planning Framework (RPF).
Bui HEP – Resettlement Planning