



Resettlement

This guideline expands on what is expected by the criteria statements in the Hydropower Sustainability Tools (HST) for the Resettlement topic, relating to assessment, management, conformance/compliance, stakeholder engagement, stakeholder support and outcomes. The good practice criteria are expressed for different life cycle stages.

In the Hydropower Sustainability Assessment Protocol (HSAP), this topic is addressed in P-14 for the preparation stage, I-10 for the implementation stage and O-10 for the operation stage. In the Hydropower Sustainability ESG Gap Analysis Tool (HESG), this topic is addressed in Section 5.

This guideline is intended to be used as additional guidance to that provided on Project Affected Communities and Livelihoods in the case that resettlement is required by the project. The resettlement guideline applies to projects that require permanent or temporary physical displacement of households, resulting in relocation due to loss of residential land or loss of shelter.

Resettlement has been a highly contentious issue associated with hydropower development. It is good practice to avoid involuntary resettlement and, when unavoidable, to minimise it through different project siting and design alternatives during the preparation stage. The intent is that the dignity and human rights of those physically displaced are respected; that these matters are dealt with in a fair and equitable manner; that livelihoods and standards of living for resettles and host communities are improved; and that commitments made to resettles and host communities are fulfilled.

Resettlement is the process of moving people to a different place to live because due to the project they are no longer allowed to stay in the area in which they were residing. **Resettles** are those people who are required to be resettled, including those who have formal legal rights, customary or traditional rights, as well as those who have no **recognisable rights to the land**. Host communities are the existing communities to which resettles are relocated. **Livelihood** refers to the capabilities, assets (stores, resources, claims and access) and activities required for a means of living. **Living standards** refer to the level of material comfort as measured by the goods, services, and luxuries available to an individual, group, or nation.

In many jurisdictions, regulations exist that enable the compulsory acquisition of land by the government for infrastructure or other developments. In countries with active and recent hydropower development, regulations or policies may exist to address legal obligations for resettlement. Responsible agencies and institutional arrangements for resettlement, and the financing of resettlement activities, will vary. In some cases, government fully takes on these responsibilities or an independent authority may be established with responsibility for implementing the range of resettlement activities. The hydropower project developer may be required to provide the agreed funding and support but may not be involved in the direct implementation of the resettlement programme.

Assessment

Assessment criterion – Preparation Stage: An assessment of the resettlement implications of the project has been undertaken early in the project preparation stage to establish the socio-economic baseline for resettlement for potential resettles and host communities and has included an economic assessment of required resettlement including ongoing costs for improvement in living standards.

At the preparation stage, a socio-economic baseline should be established so that post-resettlement impacts and benefits can be well-quantified and demonstrated. Baseline information relevant to resettlement and host communities should be detailed to household level and should include: a census of households and people to be relocated; household size; household organisation and income; livelihoods and economic activities; living standards; access to services (e.g. health, education, transport, water supply, electricity); health indicators; education levels; social interaction patterns; fixed and mobile assets; land tenure and use; crops and livestock; subsistence activities; customary traditions; and access to resources that may not have monetary value but are important to livelihoods.

Community-level assets and their specifications and condition should also be inventoried for the socio-economic baseline in cases where whole villages are to be relocated. These may include, as relevant: educational facilities; public

health facilities; water supply; electricity supply; marketplace structures; roads; jetties; religious structures; and burial grounds. Community-level livelihood dependent assets should also be documented, such as grazing lands, forest lands, community plantations, irrigation schemes, fishing resources, shared fishing or boating equipment, or shared farming equipment or land.

The methods for and expertise used to establish the resettlement baseline need to be clearly documented. Photo records including the people involved are an important inclusion in an asset register. Registered property surveyors should be used where appropriate.

In some cases, land occupancy in the basin pre-project may be informal, with the people living in the basin having no formal land tenure or formally recognised rights to land or water. The assessment of the resettlement baseline and designation of those eligible for compensation should include all people living permanently in the affected area and their pre-project livelihoods, regardless of their land tenure status.

The assessment process should involve identification and presentation of relocation options supported by the developer so that resettles can elect where they go. Where resettles go can vary greatly from project to project. Examples include: new resettlement villages constructed on available land in the same area; houses moved up a hillside to a higher elevation to avoid the new reservoir; and resettles moved to existing villages or townships where they need to assimilate into the host communities. Self-relocation is usually an option offered to those exhibiting high resilience and low vulnerabilities and should take into consideration monetary compensation, transport assistance, money management education, and follow-up monitoring.

Baseline socio-economic information needs to be collected for host communities as they can experience impacts from receiving resettles and may receive benefits (e.g. improved community infrastructure, free health checks, livelihood support measures). In some cases resettles move into a large urban area, in which case the baseline scale needs to be practically defined. Any surveys undertaken to develop baseline data from a representative portion of a population need to be

guided by experts in social science and must be able to serve as a comparative baseline for later post-resettlement surveys.

The timing of the census that establishes the socio-economic baseline for resettlement is a critical consideration and should be well-considered and clearly defined. Families, activities and assets evolve over time, and there can be processes of inwards and outwards migration associated with rumours of a development project. The baseline data should be formally documented by the developer in close partnership with the government as it is likely to be the basis for later claims and will need to have legal status. Accompanying policies need to be established that clarify the cut-off date, the methods and basis for valuations, and the eligibility for compensation and benefits for resettlees. Assessments should consider communication needs and approaches as part of these investigations so all relevant parties are well-informed, including on their rights, risks and entitlements.

Once the socio-economic baseline has been defined for all relevant parties, project impacts against this baseline should be comprehensively assessed along with appropriate mitigation measures. The assessment should include consideration of the impacts on vulnerable people and gender, livelihood restoration and improvement costs, and risks to the achievement of desired objectives (for example, those pursuing water-based livelihoods such as fishing may find it very difficult to establish a land-based livelihood such as farming).

An economic assessment is an expectation for resettlement at the preparation stage. This goes beyond the cost of buildings and relocation (straight financial considerations) to include the type and level of support activities that are realistically required for the restoration or re-establishment of livelihoods and community viability. The economic assessment should take a life cycle approach in its scope, covering any necessary follow-up to ensure the objectives are achieved.

Assessment

Assessment criterion - Implementation Stage: An assessment of the resettlement implications of the project has been undertaken that establishes the pre-project socio-economic baseline for resettlees and host communities; monitoring is being undertaken of implementation of the resettlement plans, and to see if commitments made to resettlees and host communities have been delivered and are effective and to identify any ongoing or emerging issues.

Progressing on the preparation work described above, the main assessment requirements at the implementation stage are to track the effects of implementation of measures and plans. Monitoring may be undertaken by the project staff, externally by a consultant, by the government, or through an agreement with a non-government organisation. Monitoring should assess whether measures are properly implemented (i.e. process indicators) and achieve the intended results against the baseline conditions (i.e. outcome indicators). Monitoring should be formally outlined in a programme that has identified appropriate indicators to track progress and to identify emerging issues or impacts during implementation. Monitoring should involve a consistent approach that will be continued for an agreed period during operation.

Monitoring indicators should follow a subset of those used to define the pre-resettlement baseline and should be meaningful to assess the status of living standards and livelihoods. Indicators of social and cultural wellbeing and maintenance of cultural traditions should be included. It is important to include monitoring of the status of household and community assets as relocated households may not know how to maintain aspects of their new homes (e.g. electricity, water supply, toilets) and systems may not be in place in the new locations to maintain community assets (e.g. the town water supply). Monitoring of vulnerable groups and households is important and should be in close liaison with government agencies and established welfare systems.

Assessment

Assessment criterion – Operation Stage: Monitoring is being undertaken to assess if commitments made to resettles and host communities have been delivered and if management measures are effective; and ongoing or emerging issues relating to resettlement have been identified.

Further to the above guidance, at the operations stage the focus of assessment activities is on the delivery of resettlement commitments, as well as monitoring and follow-up over time to ensure that objectives and targets for resettled communities and households are achieved. Documentation and record keeping is critical and should be planned to stand up to long-term scrutiny so that any concerns within resettlement communities about non-delivery of any agreed commitments can be checked against records.

Once compensation payments and relocation activities have been implemented, the longer-term implications of the move for resettles often drops out of focus for the owner/operator. A common situation is that the resettlement has involved provision of new household and community infrastructure of a standard exceeding the pre-project condition, and the government does not have the capacity to invest in the maintenance or staffing and it deteriorates over time (e.g. a few years after resettlement, a school has insufficient equipment or staff to provide the educational services it was designed to deliver). Livelihood restoration or re-establishment programmes often require ongoing follow-up and support, especially where resettles are expected to shift to new forms of livelihood. Given the long time period for operations, documented agreements on monitoring and follow-up responsibilities between the owner/operator and relevant government authorities are necessary. The owner/operator should have policies for what type of longer-term follow-up it is prepared to do in agreement with government, especially with regards to issues arising.

Older projects may have an absence of well-documented commitments in relation to resettlement made at the time of project approval or an absence of data on the pre-project baseline against which to compare the post-project status. In this case, it is important to have agreed processes with government on how issues arising for resettlers will be identified and addressed,

and the relative roles of the owner/operator of the facility versus government must be clearly established.

Management

Management criterion – Preparation Stage: A Resettlement Action Plan and associated processes have been developed in a timely manner for project implementation and operation, which includes an up-to-date socio-economic baseline, compensation framework, grievance mechanisms, and monitoring procedures; and formal agreements with resettles and host communities are publicly disclosed.

A Resettlement Action Plan (RAP) is a document or set of documents outlining the actions that will be taken to address resettlement. The RAP should include: identification of those being resettled; a socio-economic baseline for resettles; measures to be implemented as part of the resettlement process including those relating to resettlement assistance and livelihood support; compensation frameworks; organisational roles and responsibilities; budget allocations and financial management processes; the timeframe, objectives and targets; a risk assessment; grievance mechanisms; monitoring, reporting and review provisions; and arrangements for consultation, participation and information exchange.

Practical examples of resettlement measures include provision of: better quality housing, agricultural land, and services (such as access to electricity); legal property titles to households without a title; livelihood support (e.g. agricultural assistance, enterprise development, fish culture, small business); psychological and emotional support; transitional food support; better access to natural resources or areas of importance for the community; and construction of community assets (e.g. health clinics, schools, community and religious centres, water supply systems, electricity supplies, wastewater treatment plants).

The RAP should include a compensation framework setting out the basis for determining compensation, the amount that will be allocated to which parties, and the method and safeguards for how it will be delivered. Eligibility should include those who do not have legally recognised land tenure but were clearly part of the baseline

population at the agreed cut-off date. In cases where resettleses' livelihoods have been land-based, and where consistent with resettleses' preferences, land-for-land compensation should be provided of a comparable quality. Cash compensation options should take into both account inflation rates and costs associated with asset replacement. Compensation should go beyond material measures (e.g. housing, cash, food support) that ensure living standards are not compromised and should address livelihood support and improvement with an aim of setting up for long-term self-sufficiency. Support measures should be aimed at avoiding impoverishment risk and welfare dependency.

Timeliness is important. Situations in which the construction schedule is running ahead of the resettlement planning need to be avoided. The RAP needs to be fully developed and agreed before construction commences. Timing issues may arise in relation to the filling of the reservoir, the time needed to negotiate and formalise agreements, cultural or community events, and the timing of the relocation to prepared and already productive agricultural land.

Grievance mechanisms need to be clearly documented. These are the processes that allow and address concerns raised by resettleses and host communities as broadly described in the Communications and Consultation guideline. Grievances relating to resettlement may include mistakes in the census and inventory results at the asset registration stage, disputes on land ownership, misunderstandings on entitlements and eligibility, disagreements on compensation and livelihood support measures, concerns about inequity with accessing livelihood support schemes, etc. A project may experience more grievances relating to resettlement than on any other social matters since resettleses are affected in such a fundamental way. It is important for the project to keep sufficient resources (including budget) available to deal with grievances, and to ensure records are kept of how they were addressed, closed, and communicated back to the originator.

The RAP should be developed with the inputs of resettleses and host communities and should involve formal agreements in relation to what will be implemented. An agreement is a recorded

understanding between individuals, groups or entities to follow a specific course of conduct or action; it is recognised as formal when in the form of a document signed by recognised representatives of all parties concerned with witnesses present or expressed in government licence requirements or court decisions. There are many areas of agreement that can be documented regarding resettlement, such as factors relating to the resettlement site, village configuration, house styles and materials, livelihood support, cultural and spiritual ceremonies, community assets, etc. An agreement is considered publicly disclosed if members of the public can access information on what was agreed if they would like to do so.

Management

Management criterion – Implementation Stage: Measures to address resettlement are documented in a Resettlement Action Plan; measures are in place to deliver commitments to resettleses and host communities and to manage any identified issues relating to resettlement, including provision of grievance mechanisms; and formal agreements with resettleses and host communities are publicly disclosed.

Further to the above guidance, the implementation stage is a highly sensitive stage during which resettlement communities are moved in preparation for reservoir filling. All activities during this stage should be in accordance with the RAP described above.

A common issue to be avoided is timing pressure due to the project construction schedule progressing at a pace faster than the RAP implementation and communities pressured to move before everything is ready. This often means that important preparation activities for successful resettlement are compromised; for example, green timber might be used to build the new houses and later warps, electricity is not connected for some months after the resettleses arrive, fields for planting of rice have no access roads and are not prepared, or assets from the old village cannot be transported to the new village (e.g. house materials, livestock, vehicles, boats). Rising reservoir levels should not put pressure on relocating households ahead of all resettlement needs being prepared, and this risk should be

managed through good integrated planning (see the Integrated Project Management guideline).

Management

Management criterion – Operation Stage: Measures to address resettlement are documented in a Resettlement Action Plan; measures are in place to deliver commitments to resettles and host communities and to manage any issues relating to resettlement, including provision of grievance mechanisms; and formal agreements with resettles and host communities are publicly disclosed.

Ideally, an operating hydropower facility that involved a resettlement programme during its development had a well-documented socio-economic baseline and clear commitments for the resettlement. This may not be the case for older projects, and concerns can arise in relation to whether all commitments were delivered and the ongoing responsibilities of various parties. The owner/operator should have a good understanding of the history and available records alongside clear agreements with government and the resettled communities on the ongoing support and how issues arising will be dealt with over the longer-term.

The duration of support by a hydropower facility for resettlement can be an issue even when the resettlement baseline and RAP are well-documented. For example, pressure on land availability can arise as families expand and the next generation wants to stay in the new village, and assets in the resettlement village can deteriorate over time. The owner/operator should demonstrate that it is not ignoring the long-term needs of resettled communities, and it is seeking to understand them and provide support in a measured and reasonable manner. If all mitigation commitments for resettlement have clearly been fully delivered, then further support should be provided through new initiatives unrelated to mitigation requirements. Mechanisms for support by the business can include, for example, a business Corporate Social Responsibility (CSR) programme or contributions by the hydropower facility owner/operator to a community fund from which the resettlement communities or relevant local governments can access financial support for agreed programmes. Cumulative impacts can also emerge due to

later developments, in which case there should be well-documented agreements with relevant parties on how these will be managed and who has what responsibilities.

Stakeholder Engagement

Stakeholder Engagement criterion – Preparation Stage: Engagement with directly affected stakeholders has been appropriately timed, culturally appropriate and two-way; ongoing processes are in place for resettles and host communities to raise issues and get feedback; and resettles and host communities have been involved in the decision-making around relevant resettlement options and issues.

All physically displaced persons need to be engaged about their rights and options in relation to resettlement, and host communities also need to be fully consulted about how resettlement will affect them. Engagement, consultation and negotiation plans processes should be included in the RAP and associated consultation and communications plans. Engagement plans should consider the needs of particular stakeholder groups and how these needs apply to the resettlement and host communities.

Resettles and host communities should be involved in the definition of key elements of the resettlement plan. For example, resettles can be involved in proposing resettlement sites and can indicate their expectations on layout arrangements and alternative livelihood activities, as well as influencing decision-making around housing options during the negotiation process.

Appropriate timing, culturally appropriate, and two-way processes are important components of good practice. 'Appropriately timed' means that engagement should take place early enough so that the project can respond to issues raised, those affected by resettlement have inputs before the project takes decisions, and engagement is at times suitable for people to participate. Resettlement stakeholders should be supportive of the timing of engagement activities given the impact of the decisions involved on the rest of their lives. 'Culturally appropriate' means that methods of engagement respect the cultures of those affected and allow adequate provisions to fit with the discussion and decision-making

processes typical for the affected households and communities. Stakeholder engagement processes that are culturally sensitive consider, for example, meeting styles, venues, facilitators, language, information provision, the community's decision-making processes, time allocation, recording, and follow-up. Engagement processes need to consider gender and the inclusion of vulnerable social groups. 'Two-way' means the resettlement stakeholders can give their views on considerations for the RAP rather than just being given information without any opportunity to respond. Examples of two-way processes include focus groups, community meetings, and public hearings, and community feedback is incorporated into RAP design.

Processes should be in place for resettlement stakeholders to raise issues and these processes should include a formal grievance mechanism (as discussed above under the Management criterion). Processes could include, for example, designated contact people within the old and new village(s), community liaison officers, periodic village briefings or question/answer opportunities, and feedback/suggestion boxes at an easily accessible area. Feedback on issues raised could be demonstrated by means such as written correspondence or meeting minutes. A register should be kept by the owner/operator of source, date and nature of issues raised, and how and when each was addressed and resolved.

Stakeholder Engagement

Stakeholder Engagement criterion – Implementation and Operation Stages: Ongoing processes are in place for resettles and host communities to raise issues and get feedback.

In addition to the guidance above, many issues should be expected to arise during and following implementation of the RAP and the developer and owner/operator should be adequately resourced to manage these. The management plans and agreements with the communities and government should make it clear over time on the roles and responsibilities for receiving, addressing and responding to issues arising. It is very important to ensure responsiveness and good documentation at all stages.

Stakeholder Support

Stakeholder Support criterion – Preparation and Implementation Stages: Resettles and host communities generally support or have no major ongoing opposition to the Resettlement Action Plan.

The RAP should be generally supported by those directly affected by it. Communities will have their own issue consideration and decision-making processes, and support of a community for the RAP may still have members of the community that disagree with aspects of it. Stakeholder support may be expressed through community members or their representatives and may be evident through means such as surveys, signatures on plans, records of meetings, verbal advice, public hearing records, public statements, governmental licence, and court decisions. No major ongoing opposition, or temporary opposition that was resolved, would satisfy this criterion.

Conformance/Compliance

Conformance/Compliance criterion – Implementation and Operation Stages: Processes and objectives in the Resettlement Action Plan have been and are on track to be met with no major non-compliances or non-conformances, and any resettlement related commitments have been or are on track to be met.

Resettlement measures should be compliant with relevant legal and administrative requirements, which may be expressed in licence or permit conditions or captured in legislation. Resettlement measures should be consistent with what is in the RAP to demonstrate conformance with plans. Commitments may be expressed in policies of the developer or owner/operator, or in company statements made publicly or within management plans. Evidence of adherence to commitments could be provided through, for example, internal monitoring and reports, government inspections, or independent review. Variations to commitments should be well-justified and approved by relevant authorities, with appropriate stakeholder liaison.

The significance of not meeting a commitment is based on the magnitude and consequence of that omission and will be context-specific.

For example, a failure to demonstrate delivery of a licence entitlement such as food support to resettles is likely to be a significant non-compliance, whereas a slight delay in delivery of a monitoring report could be a non-significant non-conformance.

Outcomes

Outcomes criterion – Preparation Stage: Plans provide for resettlement to be treated in a fair and equitable manner, and resettles and host communities to experience a timely improvement in livelihoods and living standards.

Outcomes criterion – Implementation and Operation Stages: Resettlement has been and is being treated in a fair and equitable manner, and resettles and host communities have experienced or are on track to experience a timely improvement in livelihoods and living standards relative to the pre-project baseline.

Important outcome requirements for resettlement include fairness and equity. 'Fair' means free from favouritism, self-interest, bias or deception, and conforming with established standards or rules. 'Equitable' relates to equality or evenness. With respect to resettlement, fairness is demonstrated through the establishment of clear project standards or rules, transparency on how they are applied, and the adherence to these rules in the plans and their implementation (demonstrated through monitoring reports or independent evaluations). Equity can be demonstrated through the equal application of rules to all affected people and also through support which is allocated in a way that all recipients can achieve the same standards.

Equitable approaches could be evident through, for example, the valuation basis for compensation, the standards for new housing, and the distribution of livestock or livelihood resources.

The RAP should include targets and objectives that state what the plans are aiming to achieve in terms of improvement in living standards and livelihoods, with reference to the baseline and a clear identification of monitoring and evaluation indicators. The objectives and targets should be achievable in the preparation stage and should be achieved during the implementation and operation stages. Timeliness can be demonstrated against timing milestones set up in the RAP and whether they are likely to be or are being achieved.

Improvement of livelihoods is demonstrated by the compensatory measures taken to address impacts of the project on pre-project livelihoods. Those affected should be demonstrably able to move forward with viable livelihoods, and with improved capabilities or assets relative to the pre-project conditions. This may be demonstrated, for example, by supporting farmers to continue to be able to farm or to pursue alternatives, accompanied by sufficient support mechanisms that not only enable any changes to livelihoods to be well-established but also provide increased capabilities or access to the necessary resources (including training, information, materials, access, supplies, etc). Long-term welfare dependency and entrenched impoverishment need to be avoided. Ongoing monitoring, insightful indicators, and good record keeping are all essential for demonstrating outcomes.