

Report No. 12142

Early Experience with Involuntary Resettlement Overview

June 30, 1993

Operation Evaluation Department

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ABBREVIATIONS

CADA	-	Command Area Development Authority
EGAT	-	Electricity Generating Authority of Thailand
MOA	-	Ministry of Agriculture
MOH	-	Ministry of Health
M/RADA	-	Mysore Resettlement and Development Agency
NGO	-	Non-governmental organization
NIA	-	National Irrigation Authority
OMS	-	Operational Manual Statement
OPN	-	Operations Policy Note
PAP	-	Project affected people
VRA	-	Volta River Authority

GLOSSARY

Resettlement	The entire process of relocation and rehabilitation caused by project related activities.
Relocation	Moving of people, assets and public infrastructure.
Rehabilitation	Reestablishment of livelihoods, living conditions, social systems.
Compensation	Money or payment in kind to which the affected people are entitled, as decreed by state regulation or laws.
Resettlement costs	Costs of moving, reconstructing, replacing lost or affected assets, facilities and social adjustment.
Resettlers	People directly affected by the project and thus require relocation.
Hosts	People residing in areas where resettlers are to be moved.
Affected population	Resettlers and host population.
Marginal groups	Distinct groups of people that may be suffer disproportionately from resettlement.
Project area	Areas in and adjacent to the construction areas and other areas to modified by the project (e.g., impoundment of reservoirs, irrigation command areas).
Host area	Area where the host population resides.
Project impacts	The direct socioeconomic impacts caused by the development project within the project area.
Resettlement impacts	The indirect impact (environmental and socioeconomic) caused by the proposed resettlement plan in the host area.
Resettlement agency	The administrative body responsible for managing and implementing (this agency may be within the project agency or it may be an independent agency).
Development program	Agricultural development program or other income generating/ employment schemes to restore/increase incomes.

**THE WORLD BANK
Washington, D.C. 20433
U.S.A.**


**Office of Director-General
Operations Evaluation**

June 30, 1993

MEMORANDUM TO THE EXECUTIVE DIRECTORS AND THE PRESIDENT

SUBJECT: Early Experience with Involuntary Resettlement - OVERVIEW

Attached is the report entitled Early Experience with Involuntary Resettlement - OVERVIEW, prepared by the Operations Evaluation Department.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned in the lower right quadrant of the page.

Attachment

EARLY EXPERIENCE WITH INVOLUNTARY RESETTLEMENT

OVERVIEW

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EARLY EXPERIENCE WITH INVOLUNTARY RESETTLEMENT

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PREFACE

The management of involuntary resettlement includes three aspects: (a) adequate compensation of lost assets; (b) assistance with relocation and support during the transition period; and (c) assistance in reestablishing former living standards. The *criteria for evaluation* include rehabilitation, particularly whether incomes have been restored - this is the overarching indicator by which performance must be judged; the quality of planning, for example, whether the numbers of affected households were minimized; the quality of implementation, including the degree to which social impacts were mitigated; and the extent of participation - the adequacy of community involvement.

When OED began this review, it soon became apparent that *the quality of evaluation results* was not consistent across all projects owing to data limitations. Information on resettlement in general, and on incomes in particular, were weak. Thus the evaluations available from existing OED sources, many of which are project completion reports (PCRs) and presented in Annex A, are not comprehensive, but rather indicate only general success or failure.

Accordingly, the *instrument* used by OED to evaluate resettlement impact and outcome was a series of impact evaluations. These were deemed the most relevant given: (i) these criteria for evaluation - impact evaluations are more easily able to cover this relatively broader range of issues: including social, environmental, institutional, than an audit; and (ii) the incompleteness in the quality of evaluation results - impact evaluations can include specially commissioned socioeconomic surveys, thereby generating both the necessary data on changes in incomes and living standards and, as importantly, bringing the views of a sample of resettlers as to how they perceive compensation, relocation and rehabilitation, and how they have adapted to their new life. Finally, impact studies are undertaken at or near full development, thus such case studies would be able to determine the extent to which rehabilitation was achieved and the sustainability of the resettlement process.

Selection of the countries and projects for the OED impact evaluations was made on the basis of three considerations. First, historical trends, which showed that the majority of people displaced were in projects financing agriculture and energy development (these trends are expected to continue in the future). Second, the ongoing lending program, which shows a concentration of projects with involuntary resettlement in the Asia (40 percent in East Asia, 24 percent in South Asia) and Africa (20 percent) regions. Third, some successful projects, in order to draw lessons for the future. The OED impact evaluations are the Ghana: Kpong Hydroelectric (Loan 1380-GH); India: Karnataka Irrigation I (Credit 788-IN) and Maharashtra Irrigation II (Credit 954-IN); and Thailand: Khao Laem Hydroelectric (Loan 1770-TH). In order to capture resettlement outcome, the time perspective meant that all the projects reviewed were planned and became effective before the first

Bank guidelines came into effect in 1980. Experience in the Latin America region was included, based upon a recent OED study of the environmental/resettlement impact of a series of projects in Brazil.*

The four OED impact evaluations are companion volumes and contain detailed information on the resettlement process and outcome from the perception of the affected families. The two impact evaluations in India also included tracer studies, undertaken by the same consultant. The rationale for undertaking tracer studies was the following. OED was concerned that, in the case of Karnataka, because the resettlement process was not yet complete, many of the landless, in particular, would have already left the project area, thus the survey would exclude the most disadvantaged. While in Maharashtra it was not known how many affected households were actually eligible for resettlement. This Overview, which distills the findings of the four impact evaluations, sets out the factors explaining resettlement outcome and makes recommendations for successful resettlement operations in the future. The Overview, therefore, aims to identify trends from Bank experience rather than to provide a definitive statement on each project contained in Annex A. For ease of reference, the findings and lessons from this review of experience are presented in tabular form in Table 2 and are considered to be applicable for resettlement operations everywhere.

This Overview and the four supporting OED impact evaluations are the responsibility of Mrs. Kathryn McPhail. She was assisted by a team comprising Messrs. John Carson, Martin ter Woort, and Scott Ferguson (all consultants), and researchers: Ms. Peggy David, Messrs. Chris Hayes, Ty Mitchell, Carl Ross, and Raed Safadi. OED undertook field missions to each of the projects and was assisted in India by Mr. R. Arora (facilitator and consultant). The specially commissioned socioeconomic surveys were undertaken in Ghana by Profs. Martha Tamakloe and E.K.A. Tamakloe, Faculty of Environment and Development Studies, and Mr. J.M. Nani Nutakor, Faculty of Agriculture, all of the University of Science and Technology, Kumasi; in India by Dr. Surappaswamy Parasuraman of the Tata Institute of Social Sciences, Bombay; and in Thailand by Dr. Amara Pongsapich, Mr. Pinit Lapthananon and Dr. Kobkul Phutaraphorn, of the Chulalongkorn University Social Research Institute (CUSRI), Bangkok. The Overview and OED impact evaluation reports, including tables and graphics, were produced by Ms. Isabel Alegre.

* "World Bank Approaches to the Environment in Brazil: A Review of Selected Projects". OED Report No.10039. April 30, 1992.

EARLY EXPERIENCE WITH INVOLUNTARY RESETTLEMENT

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EXECUTIVE SUMMARY

Background

1. Involuntary resettlement is a feature of many Bank-supported operations. Guidelines were introduced in 1980; the Bank was the first international organization to do so. These guidelines required Borrowers to continue to be responsible for resettlement while the Bank would provide support to ensure that (i) involuntary resettlement be minimized as far as possible; (ii) affected families should benefit from the project; and (iii) incomes should be better than, or at least the same as, before.

Rationale and Objectives for the Study

2. Despite the introduction of these guidelines and their subsequent refinement over the following decade, public criticism of the Bank's handling of resettlement over the same period has become more, not less, vocal in contrast to several internal Bank reviews, which tended to show the record as improving over time. The subject continues to be important in terms of the Bank, which is financing a large number of projects with resettlement, and the large numbers of people involved. This special OED study, therefore, is intended to:

- examine the process of resettlement and its outcome;
- compare the resettlement experience across countries;
- draw lessons for satisfactory resettlement in the future.

Key Findings

3. Few completed projects had any data on a central criteria for evaluation: whether income

levels of the affected people were restored or improved following resettlement.

INCOMES AND LIVING STANDARDS

4. **INCOMES.** The OED impact evaluations showed that incomes were higher following resettlement in two of the four projects, although only in India Maharashtra Irrigation II was this a result of a direct project-supported development program: the provision of compensatory lands in the command area. This reflects the contribution which irrigation can make to rural poverty: the incidence of poverty in the command area ranged between seven percent for resettled villages and 20 percent for host villages, compared to 42 percent of rural families in Maharashtra state. In Thailand Khao Laem Hydroelectric, where incomes were also higher following resettlement, this was due to diversification of income sources: the all weather access road increased economic opportunities in an area which is an important route into Burma.

5. The fall in incomes for most affected households in Karnataka Irrigation and for all in Ghana Kpong Hydroelectric, as well as the decline in the relative contribution of agriculture to household incomes in Thailand Khao Laem, was a result of a reduction in agricultural landholdings together with the lack, or failure, of the project-supported development programs.

6. **ELIGIBILITY.** Defining the eligibility and the entitlement to compensation, relocation and resettlement, of affected persons was unsatisfactory in all projects but Ghana Kpong. In India Maharashtra Irrigation II, only about half the affected families were deemed eligible for compensatory lands in the command area - joint family members and many landless were excluded while in Karnataka, affected families were

eligible only for compensation and relocation but not rehabilitation. In Thailand Khao Laem Hydroelectric, the complex land ownership situation, and the presence of legal and illegal aliens meant that fewer households received compensation while minors and non Thai citizens were not eligible for resettlement. Not all households elected to move to the resettlement sites provided by government.

7. LIVING STANDARDS. Social infrastructure services - water, health, education, electricity, access roads - were, in general, much better in all projects than before resettlement. In Ghana Kpong Hydroelectric, replacement housing was also provided and successfully combined a blend of traditional architecture with modern amenities. Few preventive measures were taken in either project in India regarding water borne diseases; as a result the incidence of malaria was high in both projects. In Ghana, the incidence of both malaria and onchocerciasis declined, as did schistosomiasis during project implementation due to control measures taken. Since project closing, this has increased since the mitigatory measures were not sustained after project completion.

8. RESETTLER PERCEPTIONS OF AND SATISFACTION WITH RESETTLEMENT. The surveys showed that the majority of resettlers were dissatisfied with compensation and resettlement. Bank guidelines require that incomes, not levels of satisfaction, be the determining criterion by which performance must be judged. The discrepancy between incomes and levels of satisfaction highlights the need for data on incomes, since other factors besides resettlement can affect perceptions. The social infrastructure provided by the projects was highly appreciated by resettlers, particularly education.

MARGINAL GROUPS AND HOST POPULATIONS

9. LANDLESS. Landlessness declined slightly in India Maharashtra Irrigation II; nevertheless, many more landless households were found by the tracer study as ineligible for compensatory lands. The incidence of landlessness increased in

both Thailand Khao Laem Hydroelectric - due in part to the conflict between two national policies resulting in there being less land available, and in Karnataka Irrigation - where, contrary to a covenant agreement, no agricultural lands were given. As a result, landowners became landless, while formerly landless had reduced employment opportunities with the decline in landholdings.

10. WOMEN. Women are engaged in agriculture in each of the three countries; resettlement had no observable change on employment patterns. In Ghana Kpong Hydroelectric, care was taken to retain the thriving women's pottery industry. The improved village infrastructure, together with the provision of electricity, helped to reduce many labor intensive tasks, which are traditionally done by women. Nevertheless, in Ghana, some villages have poorer access to markets and firewood - both women's responsibilities. Children were active in agricultural activities in Ghana following resettlement, although the situation prior to moving is not known. Employment opportunities for children in India Karnataka Irrigation declined following the project due to loss of land and livestock.

11. INDIGENOUS GROUPS. Ethnic groups were seldom accorded distinct treatment, although in Thailand, most of the ethnic groupings adapted well to their new life despite not being eligible for relocation and rehabilitation.

12. HOST POPULATIONS. Relations were good, except in Ghana Kpong Hydroelectric where nonpayment of compensation resulted in subsequent land disputes and thus loss of lands.

Factors Explaining Outcome

13. Seven factors required for a satisfactory outcome have been identified, the most important of which is government commitment. This underpins all others: (i) strong implementing agency; (ii) legislative framework; (iii) comprehensive planning; (iv) development program; (v) community involvement; and (vi) adequate resettlement costs and funding.

Key Requirements from Successful Resettlement

A. Planning Phase

- Good understanding of the identity and numbers of people affected;
- documentation of the characteristics of the project-affected people;
- agreement on resettlement criteria;
- just compensation and effective compensation mechanisms;
- consultation and involvement of project affected people (PAP);
- careful identification and selection of resettlement sites;
- formulation of detailed resettlement plans that are acceptable to PAP;
- careful appraisal of resettlement feasibility (technical, social, financial);
- estimation of adequate resettlement costs;
- establishment of an effective resettlement organization;
- preparation of detailed implementation plans and schedules;
- agreement of a financing plan and schedule;
- planning of development programs;
- formal agreements between the resettlement agency and PAP and between state and local governments; covenants required by the Bank.

B. Implementation Phase

- Strong project management for resettlement and good information systems, including for financial control and monitoring of progress;
- sufficient physical capacity to implement resettlement;

- good materials supply;
- adequate transfer mechanisms and support;
- viable income generation schemes;
- proper disbursement of compensation and other resettlement funds;
- proper handover of ongoing responsibilities to line agencies or villages;
- thorough and timely evaluations (internal and external).

C. Non-project Issues

- legislation dealing with compensation standards, resettlement policies and rights of PAP;
- capable government institutions that can enforce standards and can assist or execute resettlement planning, implementation and monitoring;
- adequate project loan covenants to satisfy Bank resettlement guidelines.

Recommendations

14. In overall terms, it can be concluded that the Bank's guidelines cover the relevant issues. Yet, the guidelines are not always implemented. It is possible that some projects which displace populations escape the guidelines altogether.

15. Bank guidelines were seldom applied in India. Annex A shows that this is the country with the largest number of resettlement projects, which alone would warrant special attention. In India, the overall record is poor to the extent of being unacceptable. The experience indicates the need for strong and effective government commitment at both the central and state level to satisfactory resettlement outcome as well as more attention to resettlement by Bank management. The Bank should not finance projects which require involuntary resettlement, unless there is action and some demonstrable government commitment to conform to Bank guidelines and policies.

16. Have Bank guidelines helped to improve the processes of resettlement? Treatment of the issue is more systematic in some respects, for example, preparation of resettlement plans, but other important issues are still not covered.

17. Have Bank guidelines helped to improve resettlement results and outcome? Only very general judgements on satisfactory or unsatisfactory outcome can be made since few projects have any data on incomes. Information is available only from the OED impact evaluations. Bank guidelines have not led to improved monitoring efforts which would permit an assessment on resettlement outcome, particularly in respect of the crucial criterion of incomes.

18. This is a serious *lacuna* since it gives rise to an impression that the Bank is not seriously interested in the achievement of this objective. This in turn is weakening the Bank as it deprives management of the information necessary to take remedial action against public criticism.

19. Implementation of the guidelines can be improved. Four recommendations are highlighted:

- rigorous attention should be given to minimizing the number of people to be displaced by Bank financed projects;
- much greater effort should be accorded to restoration of incomes, including their measurement;
- priority to be given to resettlement costs and to their funding;
- the process of resettlement can be improved.

EARLY EXPERIENCE WITH INVOLUNTARY RESETTLEMENT

OVERVIEW

CHAPTER I: BACKGROUND

A. Background

1.1 Current guidelines for involuntary resettlement in Bank-supported projects^{1/} provide for: (a) adequate compensation of lost assets; (b) assistance with relocation and support during the transition period; and (c) assistance in reestablishing former living standards. Prior to 1980, when the first Bank guidelines were published,^{2/} responsibility for resettlement lay solely with the Borrower. Bank's loan documentation tended to be concerned mainly with land acquisition, timely evacuation of people out of the project area and payment of compensation, with less consideration given as to where they were to be resettled and how their livelihoods were to be reestablished.

1.2 The Bank was the first international organization to adopt guidelines on involuntary resettlement. Concerns for displaced persons gave rise to the following basic policy directives:

- project design should avoid or minimize the need for involuntary resettlement;
- projects should ensure that those who have to move receive benefits from the project that displaces them; and
- projects should provide displaced people with the means to improve their former living standards, or at the least ensure that they are not worse off than before relocation.

1.3 The Bank specified procedures and institutional arrangements for dealing with resettlement issues in the several phases of the project cycle and for supporting Borrowers in their adherence to the Bank's policy. These procedures deal comprehensively with resettlement planning and implementation, with planning as an integral part of project design, and community relocation interlinked with rehabilitation.

1.4 With the Bank's recognition that technical support might help to assure a more satisfactory outcome, there came detailed technical guidelines,^{3/} issued in 1988, for preparing and appraising involuntary resettlement components, including how to include resettlement in financial

^{1/} OD 4.30 - June 1990; Involuntary Resettlement.

^{2/} Operational Manual Statement (OMS) 2.33 - February 1980; Social Issues Associated with Involuntary Resettlement in Bank-Financed Projects.

^{3/} "Involuntary Resettlement in Development Projects: Policy Guidelines in World Bank-Financed Projects." Technical paper No.80. World Bank.

and economic analysis, and what pro forma cost tables were required; the same period also saw the publication of two relevant technical papers.^{4/}

1.5 Treatment of the legal issues^{5/} was also taken up. The paper recommended: (i) a detailed review of the domestic legal framework, including statutes governing the power of eminent domain - the right of the government to expropriate private land for the public good; (ii) the notion of just compensation, i.e., replacement value; (iii) review of rights of people displaced who do not have legal title to the land, even though they may have occupied it for generations; and (iv) an opinion on whether the judicial provisions for redress are adequate.

1.6 Bank guidelines made provision for the protection of indigenous populations. Initially it was expected that these people would be left undisturbed as far as possible given the special importance of land for these communities.^{6/} "As a general policy, the World Bank will not assist development projects which knowingly involve encroachment on traditional territories being used or occupied by tribal people, unless adequate safeguards are provided." (para 5).

1.7 Subsequently came a progressive broadening^{7/} in the range of the Bank's policy considerations for involuntary resettlement, including special consideration for those who may not have established or legal rights - marginal groups such as the landless, women, indigenous and ethnic peoples. In 1991, the approach to indigenous peoples also changed^{8/} to require consultation with the indigenous peoples to determine whether they wish to participate in the development process or whether they prefer to remain apart with protection for their cultural traditions.

B. Rationale for the Study

1.8 At the end of the decade which followed the introduction of these guidelines, while internal Bank reviews pointed to an improving record, the Bank continued to face heavy criticism from the non-governmental organization (NGO) community in particular, focussed principally but not exclusively on dam construction.^{9/} This pointed to the mounting evidence of human costs resulting

^{4/} ° "Dams and the Environment: Considerations in World Bank projects." Technical Paper No.110, 1989. World Bank.
° "Dam Safety and the Environment." Technical Paper No.115. World Bank, 1990.

^{5/} "Involuntary Resettlement in Bank Assisted Projects: An Introduction to Legal Issues." Legal Department/World Bank. April 1988.

^{6/} OMS 2.34 - February 1982; Tribal People in Bank-Financed Projects.

^{7/} Updated guidelines were issued in 1990 (footnote 1) which superseded previous guidelines, including Operations Policy Note (OPN) 10.08. The purpose was to broaden the treatment of resettlement issues beyond hydropower and irrigation projects to all types of investment operations.

^{8/} OD 4.20 - September 1991; Indigenous Peoples.

^{9/} Inter alia:

- ° "The Social and Environmental Effects of Large Dams." E. Goldsmith and N. Hildyard. (2 Vol) European Ecological Action Group and Wadebridge Ecological Centre, Carnelford, Cornwall, 1984;
- ° "World Rivers Review - Vol 3 - Number 4." Sept/Oct 1988;
- ° "World Rivers Review - Vol 6 - Number 5." Sept/Oct 1991;
- ° "The Hidden Costs of Hydroelectric Dams." P. Michaels and S. Napolitano, Cultural Survival Quarterly Vol 12 (2) 1988.

from involuntary resettlement in Bank-supported projects. This criticism culminated in the request by the Bank's Board for an independent review of Sardar Sarovar (Narmada) project, the findings of which were published in 1992.^{10/}

1.9 An internal Bank review in 1986^{11/} indicated that Bank and Borrower performance needed to be improved, more particularly in respect of: (a) project planning and preparation; (b) providing realistic options for reestablishing the productive capacity of families displaced; and (c) improved and more systematic Bank supervision. Subsidiary issues identified as also needing attention were: legal aspects, full costing of resettlement components in the economic analysis, indigenous peoples, impact on host populations, and the institutional arrangements for implementation.

1.10 Follow-up to recommendations (a) and (c) came in 1990 and 1988, respectively. A 1990 Review^{12/} of the treatment, at appraisal, of environmental issues in Bank energy projects between 1978-89 found that there was considerable improvement in resettlement planning at the appraisal stage. The Review also noted that:

- continued attention was necessary;
- thought had to be given as to how to extend Bank standards to non-Bank supported projects; and
- funding was necessary for post completion monitoring.

A 1988 internal Review of supervision of resettlement project components found a "dramatic turnaround" and improvement in the Bank's supervision of resettlement during the preceding two years. This was attributed to the direct intervention of senior management. Past causes of supervision weakness were identified as:

- supervision terms of reference which did not include resettlement;
- lack of time to visit the field, often in remote areas; and
- lack of skills to deal with the complexity of the social, agro-technical and legal issues involved.

1.11 Since the 1987 Bank reorganization, the Regional Environmental Divisions have monitored their respective portfolios.^{13/} In 1992, Bank management initiated a Bank-wide review

^{10/} "Sardar Sarovar - The Report of the Independent Review." Morse, Bradford and Berger, Thomas A. Resource Futures International (RFI) Inc. Ottawa, Canada. 1992.

^{11/} Involuntary Resettlement in Bank-assisted projects, FY79-86, AGR, 1986.

^{12/} "A Review of the Treatment of Environmental Aspects of Bank Energy Projects (Power and Coal Mining)." Report No.9328. March 1990

^{13/} "Land Acquisition and Resettlement in Asia" ASTEN, 1991; "A Review of Resettlement Programs in Bank-financed Projects in the LAC Region" LATEN, 1990; "Involuntary Resettlement in Bank-financed projects: Lessons from Sub-Saharan Africa" AFTEN, 1992.

1.12 OED has undertaken this special study of involuntary resettlement in view of the Bank's increased involvement in the issue in the decade following the introduction of the guidelines; the conflicting signals - with Bank reviews generally casting favorable progress reports while the external community continues to be highly critical; and the opportunity to learn lessons for this important subject.^{14/}

C. Objectives

1.13 The objectives of the study are to:

- **examine how resettlement was planned and implemented and determine the effects on the lives, and from the perspective, of affected families;**
- **compare the resettlement experience within and between different countries and under varying circumstances; and**
- **draw lessons from the findings and conclusions for more effective resettlement policies and practices by the Bank.**

^{14/} As of June 30, 1993 the Bank has 131 projects under implementation with resettlement components, which will displace more than 1.9 million people. Data are only available for 35 of the 81 pipeline projects, which indicate 1.1 million people will be affected. A recent review in China noted that a full one third of all Bank-supported projects in China up to FY92 required resettlement. China: Involuntary Resettlement, Green Cover. April 16, 1993.

CHAPTER II: FINDINGS

2.1 The findings outlined in this Chapter are drawn both from the four OED impact evaluations: Ghana Kpong Hydroelectric, India Karnataka Irrigation, India Maharashtra Irrigation II and Thailand Khao Laem Hydroelectric projects, for which detailed information is available and the Evaluation Reports (Annex A) from other Bank-supported projects with resettlement components where information is much less complete. In this Chapter, Part A provides results on the expected resettlement outcome as provided for in Bank guidelines: restoration of income and living standards. Part B reviews the social impact on marginal or vulnerable groups, while Part C analyses experience with the processes of resettlement: minimization of displacement, compensation and relocation.

A. Restoration of Living Standards and Resettler Perceptions

2.2 Resettler perceptions of restoration of living standards is discussed within the framework of the Bank's policy directives: the extent to which their incomes have been restored and whether the project has brought benefits to the affected populations.

(i) Incomes

2.3 **AVERAGE INCOMES.** A striking finding is how few projects^{19/} (Annex A) have information on incomes of the affected populations, even though over 40 percent of the projects were approved after the 1980 guidelines which required that "displaced people regain at least their previous standard of living".

2.4 Have income levels been restored or improved? The OED impact evaluations showed that only in Thailand Khao Laem Hydroelectric were average net incomes higher than before resettlement for all households affected^{19/} by the project. In India Maharashtra Irrigation II, this was the case for about 50 percent of families - those who were eligible to move into the command area. Average net incomes were slightly higher in India Karnataka Irrigation project for those who lost only land but were lower for those who lost both house and land. Average net incomes of affected households were lower in Ghana Kpong Hydroelectric. In all these projects except in Ghana, there were a large proportion of families not deemed eligible for resettlement. With the exception of Thailand Khao Laem Hydroelectric, there are consequently no data on the incomes of these households who, of necessity rather than by choice, had to resettle elsewhere.

2.5 Notwithstanding eligibility, there were varying proportions of households in the three countries which elected not to move to the resettlement sites provided by government. In India Maharashtra Irrigation II, this was partly encouraged by Government so that farmers would resettle in existing villages where kinship ties were strong thus making the assimilation process easier. In India Karnataka Irrigation, it was the landless who did not settle in the assigned sites (para 2.13) while in Thailand Khao Laem Hydroelectric, some households considered the sites to be too "modern" and returned to forest areas surrounding the dam site.

^{19/} One interesting exception is Indonesia, where the Performance Audit Report (PAR) for Power X (Saguling) recommended follow-up socioeconomic surveys both for Power X and Power XIII (Cirata). This was implemented and as a result data are now available for Cirata.

^{19/} In the survey, families were stratified into three groups: those who received house and agricultural lands, those who received houseplot only and non-Thai citizen, who were given compensation but not resettlement assistance.

2.6 POVERTY LINE. Among those who benefitted from the project, in Thailand Khao Laem Hydroelectric and India Maharashtra Irrigation II, there were fewer households living below the poverty line, while in India Karnataka Irrigation, those living in poverty increased following the project.

2.7 SETTLER PERCEPTIONS OF INCOMES. The surveys showed that households were satisfied in India Maharashtra Irrigation II, but dissatisfied in Thailand Khao Laem Hydroelectric, in Ghana Kpong Hydroelectric and in India Karnataka Irrigation (para 3.7, 3.13 *et seq.*).

(ii) Social Benefits

2.8 The OED impact evaluations showed that living conditions were typically better in the new than in the former villages. Problems were often encountered with design, construction and maintenance of transportation facilities as well as with water supply; not sufficient attention was given to these services at the planning stage.

2.9 HOUSING. In both projects in India, housing plots were of adequate size, and the new villages were well laid out. In Ghana Kpong Hydroelectric, where replacement houses were provided instead of cash compensation, the housing component was particularly well designed. The modern layout and construction materials were at the request of the resettlers who wanted the new sites to be a "small Accra", yet the design of the houses also respected cultural traditions, i.e., compound housing with a central courtyard and cluster housing for extended family life. This blend of the traditional with the new was an important factor in the satisfactory outcome in a number of voluntary settlement projects.¹⁷

2.10 EDUCATION. The OED impact evaluations showed that the projects have made a major contribution in terms of improved education since resettlement. In Thailand Khao Laem Hydroelectric, the only country with baseline data available, literacy and school attendance in this remote area increased significantly: in 1990, 76 percent of Thai citizens (less for aliens) had attended primary school and higher, compared to 22 percent who had attended primary school only in 1979. In India, while literacy rates were low in Karnataka Irrigation, child attendance at school was better after resettlement, although it did not reach the level in Maharashtra Irrigation II. In Ghana Kpong Hydroelectric, no information is available from before the project, although in 1991, 66 percent of resettlers had attended primary school or above. It was the opportunity for education which in most cases attracted immigrants into the resettlement villages. In India Maharashtra Irrigation II, for example, the households which originally chose to stay behind in the catchment area had, by 1991, sent many of their womenfolk and children to the resettlement villages for the children to attend school, while the family made arrangements to move permanently.

2.11 HEALTH. Many of the projects for which Evaluation Reports are available involved the construction of dams. It is surprising that the health effects are not reviewed more at project completion, including what preventive and curative measures if any are being taken to counter the incidence of water borne diseases, well known to be associated with dam construction. Malaria increased substantially in the Narayanpur reservoir area in India Karnataka Irrigation as a result of the project, and was also a problem in India Maharashtra Irrigation II and Ethiopia Revised Amibara

¹⁷ "Impact Evaluation Report: MALAYSIA - First, Second and Third Jengka Triangle Projects (Loans 533-MA, 672-MA and 885-MA)." OED Report No.5988. December 1985.

Irrigation.^{19/} In Ghana Kpong Hydroelectric, the prevalence of onchocerciasis declined, since reservoir impoundment resulted in the Kpong rapids being flooded, thereby destroying the breeding grounds of the fly. The incidence of schistosomiasis and malaria also fell immediately following impoundment; the health component was particularly well planned and closely monitored during project implementation. Nevertheless, the increased incidence of schistosomiasis in particular since project completion - to levels above those prevalent prior to reservoir construction, highlights the need for strengthened or systematic follow-up of health services in the post-project stage. This was also noted in a number of other projects. Guinea worm disease (dracunculiasis) was also recorded in some villages in Ghana Kpong Hydroelectric reflecting the problems with water supply.

2.12 **SETTLER PERCEPTION OF LIVING STANDARDS.** The four OED impact evaluations show that there is a high degree of satisfaction with the social infrastructure (e.g., schools, health clinics, water supplies, roads) provided; education is ranked as the service most appreciated by the resettlers in all three countries. On the other hand, in Ghana Kpong Hydroelectric, there is frustration with the services provided due to lack of funds, for example, for operation and maintenance (para 3.23). Publicly constructed resettlement villages, with their better standard of social infrastructure, attract immigrants: in Thailand Khao Laem Hydroelectric and India Maharashtra Irrigation II continuously since relocation, in Ghana Kpong Hydroelectric, more particularly in the early years. This was also a finding in other OED Reports: in Turkey Karakaya and Philippines Upper Pampanga, households which originally had not elected for resettlement regretted their decision. The attraction of the command area in general proved compelling to many former absentee landlords in India Maharashtra Irrigation II - who returned from urban areas to reclaim their land right; this is a finding of other OED impact evaluations in the irrigation sector.^{19/}

B. Marginal Groups

(1) Landless

2.13 Only in India Maharashtra Irrigation II was there specific provision to protect the landless, under the 1976 Act (para 3.5). This was not an issue in Ghana Kpong Hydroelectric since all families who desired a plot of land for cultivation were given rights to do so by the respective paramount chief. In Thailand Khao Laem Hydroelectric, landlessness among those not eligible for assistance increased due to shortages of available lands in this forest area; a small number, 8-15 percent of those surveyed, reported encroaching on forest lands and cultivated large parcels of land. Encroachment is likely underreported. This outcome highlights the conflict between two government policies: forest preservation and energy production. In India Karnataka Irrigation, landlessness similarly increased due to the lack of any plan to restore incomes. This, together with the loss of land, resulted in three important consequences:

- loss of land-related income to the landowners;
- displacement of labor from the land, and
- increase in the number of landless seeking employment.

^{19/} Details of this project are found in Annex A. Subsequent references to Bank-supported projects will assume readers refer to this Annex.

^{19/} "World Bank Experience with Irrigation Development: Mexico and Morocco." OED Report No.7876. June 1989.

"World Bank Experience with Irrigation Development: Thailand and Philippines." OED Report No.8494. March 1990.

It was also the landless in Karnataka who were least likely to take up the option to move to the resettlement centers where there was no provision made for agricultural lands. Without employment prospects, many migrated to areas which themselves were outmigration areas.

2.14 In India, the typical response of the landless in all villages in both Maharashtra Irrigation II and Karnataka Irrigation was to migrate in search of off-farm employment. This was particularly noticeable in the catchment area villages in India Maharashtra Irrigation II and in those villages which lost land but not house in India Karnataka Irrigation.

(ii) Women/Children

2.15 Resettlement has had no observable effects on the social organization of the family. The four OED impact evaluations showed that the basic social unit was, and continues to be, the extended family. Both the Electricity Generating Authority of Thailand (EGAT), Volta River Authority (VRA) and the Resettlement Department in India Maharashtra Irrigation II took care to move villages as a village unit and ethnic/tribal affiliations were respected in the new settlements. A notable finding from the survey is the extent to which children are part of the labor force in Ghana Kpong Hydroelectric where the situation prior to moving is not known, and in India Karnataka Irrigation. In the latter project, employment opportunities for children declined in part as a result of the loss of land and livestock and in part because of the increase in unemployment in the project area. Typically in Northern Karnataka, the proportion of children employed is high: 8 percent of the 5-9 year age group and 25 percent of the 10-14 year age group. Children are employed in tending cattle, harvesting groundnuts, manure collection, house construction - fetching water and collecting stones, water and firewood collection. Their compensation is low: up to Rs100 per year through the sale of cow dung cakes and firewood, in kind compensation equivalent to Rs200 per year for grazing cattle. Female school attendance in Karnataka, between 48-63 percent, was significantly higher than adult female literacy rates, between 4-16 percent. Nevertheless, these were mainly children of lingayat²⁹ households. Among female children in scheduled caste and muslim households, 65 percent were not attending school. In Maharashtra, the maratha households - ambitious and quick to seize opportunities - ensured that their children did not miss school as a result of relocation.

2.16 As expected, women are engaged in agriculture in all the countries surveyed. In both OED impact evaluations in India, resettlement has had little effect on women's employment. Women continue to be active both on their own plots or as agricultural laborers; there is little difference as between women's work in affected and unaffected households. Access to health services and clean water improved. In Ghana Kpong Hydroelectric, all villages now have electric milling machines which greatly assist this very labor-intensive task. Shortages of water were apparent in a number of villages in Ghana Kpong Hydroelectric. At the planning stage, care was taken to move villages where women had a thriving pottery enterprise to another site with suitable clay deposits. Women in some of the new villages at Kpong have further to travel to collect firewood and to take crops to market, almost all of which is done by headloads and on foot. This was due to the lack of reliable transportation, more particularly between the villages on the east bank and the markets - most of which are on the west bank. The most direct route is the road across the headworks of the reservoir, but this is closed to the public. Travel by canoe is possible across the reservoir, but sudden squalls have resulted in canoes capsizing and people drowning.

²⁹ An intermediate caste in Hindu hierarchy, traditionally landowners and in recent times, politically powerful.

(iii) Indigenous groups

2.17 There are a wide variety of indigenous groups in Thailand Khao Laem Hydroelectric. The issue was less whether such groups required special treatment (the project was prepared well ahead of the Bank guidelines on Tribal Peoples) and more on whether they were legal or illegal aliens. Nevertheless, there was public consultation. EGAT took care to involve the religious leaders of the larger groups, such as the Mon, in the consultation process (para 3.21). It is interesting that this particular ethnic group has adapted better than other groups following displacement, most likely due to the calibre of the group's leadership. This adaptation is all the more striking since the Mon were illegal aliens, and thus in the end were not eligible for resettlement.

2.18 Evaluation Reports show that the status of indigenous groups was not reviewed in India Orissa Irrigation II, although a large number of the households affected were tribal people. The project was approved one and a half years after the introduction of OMS 2.34 on Tribal People. Furthermore, no resettlement plans were prepared - although this project was approved three and a half years after OMS 2.33 was introduced. The Evaluation Report for the Philippines Chico concluded that if the Bank's policy on tribal peoples had been in place at the time the project was appraised, Stage II would probably not have been cancelled. Resettlement of indigenous groups was, however, successfully undertaken by the National Irrigation Authority (NIA) in Philippines Magat. The Authority learned the lessons from a previous project: good planning; open dialogue with, and respect for the traditions of, the affected population; fair compensation and the establishment of an independent unit to settle disputes. Plans were prepared for nomadic groups in Ethiopia Amibara, but turned out to be inappropriate, expecting these nomadic pastoralists to settle down and cultivate irrigated crops.

(iv) Host Populations

2.19 Relations with host populations in both projects in India were good principally because resettlers did not move far and thus remained in the same social/caste network (para 3.24). In Thailand Khao Laem Hydroelectric, there were no host populations, while in Ghana Kpong Hydroelectric, lack of compensation to hosts was a major factor in explaining why there is much less land available for resettlers. A dispute with one host chief also resulted in all resettlers in one of the six resettlement villages leaving abruptly.

C. Process

(i) Minimizing Displacement

2.20 Only in Ghana Kpong Hydroelectric was there evidence of action taken to minimize the number of households affected by the project. In the Evaluation Reports there is little or no information on this issue. Seldom is there accurate data on numbers of affected households^{21/} which illustrates that this issue is not treated with rigor. This needs to be systematically addressed in all projects (Table 2.A.1 and para 4.8).

(ii) Compensation

2.21 The widely different outcomes in the incomes and living standards in the four OED impact evaluations reflect, in part, whether households received compensation for lost assets or whether

^{21/} LATEN Review, see footnote 13.

there was also provision for rehabilitation. (Details on the differing systems are given in Table 1.) The limitations which compensation alone has in a resettlement context is demonstrated by the experience in India Karnataka Irrigation.

Table 1: Compensation and Rehabilitation Assistance Given to Project-Affected Families in THAILAND, GHANA and INDIA: Maharashtra and Karnataka

Classification	Cash Compensation			Assistance Provided		
	Land	House	Trees	Land	House/Houseplot	Other
THAILAND Khao Lasm Hydroelectric						
Families with documented rights	- B500/rai ricelands - B700/rai plantain lands	B7,000-25,000 for house	Cash	Free 14 rai plot	Free 1 rai houseplot	Loans for seasonal credit Living allowance for 18 months
Minors, those with no documented rights and registered aliens	Cash for buildings, structures, e.g., fences but not land	B7,000-25,000 for house	Cash	No land, but registered aliens given rights to use land, title of which could be inherited by their Thai-born children	Free 1/2 rai houseplot	
Illegal aliens	Cash for buildings, structures, e.g., fences but not land	B7,000-25,000 for house	Cash	No assistance	No assistance	
GHANA Kpong Hydroelectric						
All Families	At resettlers' request, land replacement rather than cash payment	House replacement, no cash	Cash payment for crops, temporary structures	Replacement land of 0.8 ha, on average, per household	New house built by VRA to a better standard, with consideration to cultural traditions and replacement on a room for room basis	Food distribution from between 3 weeks and 3 months
Commercial Companies	Requested land replacement and irrigation			Alternate lands and irrigation facilities		

Classification	Cash Compensation			Assistance Provided		
	Land	House	Trees	Land	House/Houseplot	Other
INDIA - Maharashtra Irrigation II						
Landowners with title 1/	<u>Prior to 1984:</u> Registered value of land on date of preliminary notification + 15% solatium, 5% interest per annum	Value of house (not replacement cost)	Cash	In households with more than 5 persons, an additional 0.4 ha to the entitlement below per each 3 persons would be given up to a maximum of 2.8 ha		
< 0.8 ha				Eligible to receive up to 0.8 ha	If remaining lands not greater than this amount and if family deposit 65% of compensation for land, house, trees.	Family size ≤ 5 8,000 sq ft plus 1,000 sq ft for each additional 3 persons
0.8 ha - 2 ha				Eligible to receive up to 1.2 ha		
> 2 ha				Eligible to receive up to 1.6 ha		
Minors and those eligible for a share in the land	No compensation	No compensation	No compensation	No direct assistance under the 1976 Act; under the 1986 legislation, every brother is treated as a separate family.		
Landless	N/A	Value of house (not replacement cost)	Cash	0.4 ha land provided if lands available	Family size ≤ 5 4,000 sq ft plus 1,000 sq ft for each additional 3 persons	Rs.1,500 for house construction
Landowners with title 2/	As for land-owners above who lost lands/house	N/A	Cash	Alternate land provided, but not relocation of village	No houseplot (since not moved)	
INDIA - Karnataka Irrigation II						
Landowners with title 1/	<u>Prior to 1984:</u> As above	Value of house (not replacement cost)	Cash	No land given	Houseplot of 15Mx25M	
	<u>After 1984:</u> Registered values of land + 30% solatium + 12% interest per annum	Value of house (not replacement cost)	Cash			
Minors and those eligible for a share in the land	No compensation	No compensation	No compensation	No direct assistance		
Landless	N/A	Value of house (not replacement cost)	Cash	No land given	Houseplot of 15Mx25M	
Landowners with title 2/	(as above)	N/A	Cash	No land given	N/A	

1/ Villages which lose 75 percent of houses or less than 75 percent of houses but more than 75 percent of lands.

2/ Villages which lose less than 50 percent of houses.

2.22 JUST COMPENSATION. The Bank defines^{22/} just compensation as the replacement value of the lost asset, which, in most cases, is likely to be higher than the market or book value of that asset. According to this definition, there were shortcomings in all four projects, especially in India Karnataka Irrigation, where compensation derives, as is the case for all projects in India, from the Land Acquisition Act, 1894. Compensation payments were not sufficient to permit households to replace the asset.^{23/} Even after successful appeal through the court system, one survey^{24/} in Karnataka showed that compensation only amounted to 54 percent of the replacement value of the lands. This meant that (a) households had to seek redress through the legal system at a time of great social dislocation; (b) most compensation payments were diverted into replacing the house - the survey showed that half the households surveyed spent three times more on rebuilding their homes than the amount of compensation paid, yet the houses were not to a better standard; and (c) those who lost the most, i.e., land and house, suffered the most. The landless were eligible for compensation for the house and trees based upon the value of the lost asset, not the replacement value. Clearly affected families in India or Turkey who have to seek to establish basic rights, such as just compensation, are at a severe disadvantage. Such situations should be ameliorated by appropriate legislation prior to project approval.

2.23 TIMELINESS. In India Karnataka Irrigation, under the Land Acquisition Act, 1984, notification of intention to acquire land, house, other assets - which is the date when the assets are valued, began five to 12 years before households actually started moving. In Ghana Kpong Hydroelectric, no payments for lands acquired have been made and land valuations still have to be made ten years after resettlement. No delays were recorded in Thailand Khao Laem Hydroelectric.

2.24 CASH VS. PAYMENT IN KIND COMPENSATION. Project experience gives some insight into the debate. Cash compensation worked well where there was a system in place to permit the monies to be deposited for future homes and replacement lands (India Maharashtra Irrigation II, Korea Chungju). One argument against cash compensation is that for social groups which live close to or below the poverty line, where the greater part of expenditures are devoted to food, cash compensation may be diverted to other more immediate needs, and thus not used to replace the lost assets. This was the rationale for the compensation policy in Ghana Kpong Hydroelectric, where project planners took the experience of Akosombo into account as well as the wishes of the affected families. Another argument against cash compensation is the timing. In Turkey Karakaya, resettlers were able to rebuild their communities with self-help effort, but in other projects, households often experience great difficulty in trying simultaneously to rebuild their houses as well as to reestablish their livelihoods. This situation is usually compounded by the fact that most households seem loathe to believe that the dam will flood their lands and typically wait until the very last minute before moving - and starting to rebuild their homes. This element of choice as between cash and in kind compensation was found to be important in Cote d'Ivoire (Rubber IV), Nepal (Kulekhani), Turkey (Karakaya), Yugoslavia (Metohija) and Indonesia (Thirteenth Power). In all the projects in Thailand,

^{22/} "Involuntary Resettlement in Bank Assisted Projects; An Introduction to Legal Issues". - Carlos R. Escudero. Legal Department - World Bank. 1988.

^{23/} This inadequacy has also been noted elsewhere. "Rehabilitation and Resettlement of the Oustees of Panam Dam in Gujarat - Key Results of a Survey in 1984-85." Working Paper No.40. The Gujarat Institute of Area Planning - MYRADA. March 1992.

^{24/} Evaluation of a pilot project. MYRADA. March 1990.

eligible families were given both compensation and replacement lands - more recently planted to treecrops.

2.25 PERCEPTIONS OF RESETTLERS. Among the four OED impact evaluations, only in India Maharashtra Irrigation II was there a positive perception among affected families regarding the compensation given. Why?

- **Transparency:** in Thailand Khao Laem Hydroelectric, compensation for lands, houses, trees, structures, was lumped together, thus it was hard for the resettlers to discern what monies were for what asset.
- **Eligibility:** in Thailand Khao Laem Hydroelectric, minors and illegal aliens were not eligible for compensation for land.
- **Adequacy:** monies were not sufficient to replace lost assets.^{25/}
- **Implementation:** in Ghana Kpong Hydroelectric, the compensation policy was acceptable but its implementation was not, either to settlers or hosts. Settlers and hosts remain dissatisfied.
- **Quality of leadership:** in Thailand Khao Laem Hydroelectric, some local leaders encouraged encroachment on public lands to try to increase compensation payments obtained; when no monies were granted, people became discontented.
- **Timeframe:** in India Karnataka Irrigation, the process stretched out over a long period further eroding ability to replace assets.

(iii) Relocation

2.26 PLANNING. In all four projects, preparation and appraisal took place before the Bank introduced its guidelines on involuntary resettlement in February 1980. Responsibility lay solely with the Borrower. The governments of Thailand and Ghana were sensitive to the implications of resettlement and sought to mitigate the effects on the affected populations by detailed preparation and planning. The record in this regard in both Thailand Khao Laem Hydroelectric and Ghana Kpong Hydroelectric is impressive. In Thailand, EGAT, on its own initiative and without input from the Bank, commissioned a series of environmental and social studies starting four years before the project was approved. EGAT intentionally selected independent consultants to do this, although it had in-house expertise, so that the process would be transparent. In Ghana Kpong Hydroelectric, VRA took the same approach beginning three years before construction of the first resettlement village. This was done with the support of the Bank and one cofinancier in particular. Nevertheless, in both countries, the studies commissioned did not generate all the information needed (Table 2.A.2) nor were benchmark criteria established by which resettlement progress could be regularly monitored (Table 2.A.3).

2.27 In contrast, in India neither State prepared a resettlement plan nor commissioned a socioeconomic survey of the population to be affected. In 1991, India Karnataka Irrigation still has

^{25/} The ASTEN Review (see footnote 13) found that low valuation of property is a major cause of resistance to land acquisition, public protests and court cases.

no final data on the numbers of affected families. India Maharashtra Irrigation II has definitive data for those families who were deemed eligible for assistance; the tracer study undertaken for the OED impact evaluation showed that this was no more than 50 percent of the total affected population, with brothers in the extended family and the landless largely excluded.

2.28 A weakness in plan preparation, which caused settler dissatisfaction in Ghana Kpong Hydroelectric, in particular - under-estimation of requirements in a dynamic situation. Surveys of population, housing and land affected by the proposed reservoir must necessarily be done well ahead of relocation. But in the time between surveys and resettlement, a matter of years, changes occur. Attracted by the possibility of compensation for assets held, families migrate into the project area, clear lands and plant fast-growing species. Families grow, new families are formed, houses are completed or enlarged, and more land comes under cultivation. Consequently, resettlement provision is determined by out-of-date information. There is need for check-up surveys or monitoring arrangements to adjust to changing circumstances (Table 2.A.7).

2.29 **IMPLEMENTATION.** In India, program implementation was weak in both India Maharashtra Irrigation II and Karnataka Irrigation; in Thailand Khao Laem Hydroelectric the process did not proceed in orderly stages (para 4.14). In India Maharashtra Irrigation II, there was inadequate sequencing of the provision of social infrastructure; the need for better sequencing was also observed in Brazil (Paulo Alfonso) and Syria (Balikh). This reflects rather poorly on the ability of program managers to phase properly the several resettlement activities and to complete them in a timely manner (Table 2.B.1). The administrative arrangements in India Karnataka Irrigation were both *ad hoc* - in that there was no separate structure responsible for resettlement, and weak. Responsibility changed agencies periodically. A positive feature in India Karnataka Irrigation was the use, under the follow-on project, of an NGO, since no public administrative structure has had either the staffing or the skills to deal with resettlement.

2.30 In contrast, in Ghana Kpong Hydroelectric, the program was implemented by seasoned staff, with long experience in Akosombo. The team was well aware of the mistakes of the previous program and was intent on applying the lessons learned. Despite this, implementation faced many of the problems encountered previously by Akosombo: how to satisfy land needs, avoid land conflicts, deal with inadequate support from qualified agricultural staff, the need to hand over responsibilities from VRA to the line agencies.

2.31 **DELAYS IN IMPLEMENTATION.** Only in Ghana Kpong Hydroelectric were there few delays in implementation. Strong commitment to a satisfactory resettlement experience was evidenced in that the housing and village infrastructure for the 1,561 families was constructed as planned and without delays. This was financed by government funds, despite the worsening economic situation and political instability in Ghana Kpong Hydroelectric at the time. Resettlement problems delayed the filling of the reservoir by one year in Thailand, where 1,949 families were moved. In India, reflecting the Bank's time-slice approach to irrigation projects in general, the process extended over a number of years; in India Karnataka Irrigation,^{28/} the approximately 6,630 families were still in the process of moving after 20 years. Delays were noted in other Evaluation Reports and to some degree this was a result of the lack of resettlement planning. Delays in Colombia Second Guatapé, resulted in a cost to the economy of the equivalent of loss of energy generation for an entire year.

^{28/} The definitive number of families was still unknown in 1991, but thought to be about 6,630.

CHAPTER III: FACTORS EXPLAINING OUTCOME

3.1 This Chapter is based primarily on the four OED impact evaluations as well as the findings of a recent OED study in Brazil.^{27/} Where relevant, the Chapter includes information from the projects listed in Annex A. The broadly satisfactory outcome in Thailand Khao Laem Hydroelectric and in India Maharashtra Irrigation II, as measured by increased incomes among those eligible for resettlement, has much to do with the degree of government/agency commitment. This cannot be over-emphasized. It is implicit in six other factors which explain this generally positive result. The absence of any one of these factors meant that a less than fully satisfactory outcome was the result, while absence of all factors resulted in the unsatisfactory resettlement situation which characterized India Karnataka Irrigation.

3.2 The six factors are:

- a strong implementing agency;
- an appropriate legislative framework;
- comprehensive planning;
- a development program;
- involvement of the affected population; and,
- adequate resettlement costs and funding.

A. Strong Implementing Agency

3.3 The OED impact evaluations and the Evaluation Reports in Annex A, show that power agencies have the better record in terms of satisfactory results. Most of these agencies are already established prior to the project, are well staffed for resettlement and with an adequate budget. For example, in Thailand Khao Laem Hydroelectric, it was EGAT's strength during program implementation which largely overcame the absence of policies (for illegal aliens) or conflicting national policies (concerning protection of forest vs energy needs). There was no national legislation in Thailand concerning compensation and resettlement, although there were some policy guidelines. EGAT proceeded on the basis that the fundamental criterion was to reestablish the livelihood of the families: responsibility and criteria were determined under an evolving system based upon precedent. Thus it was EGAT which exhorted government to take decisive action and thereby to overcome many of the policy issues where there was no legal precedent. Most compensation and resettlement issues were dealt with because EGAT was organized for, and was capable of, managing resettlement. In Ghana Kpong Hydroelectric the process was deficient in that insufficient replacement land was obtained, yet the program was implemented without delays - despite the fact that this included building of replacement houses in addition to the village infrastructure. All of this was financed

^{27/} "World Bank Approaches to the Environment in Brazil: A Review of Selected Projects." OED Report No.10039. April 30, 1992.

without using Bank loan funds, a remarkable achievement given the economic conditions in Ghana at the time.

3.4 Implementing agencies were responsive, i.e., they were willing to learn lessons. Both the OED impact evaluations and the Evaluation Reports show that a number of agencies had a rapid learning curve - notably in Ghana Kpong Hydroelectric, all projects in Thailand, Brazil Fourth Paulo Alfonso, and the Philippines where NIA, after two projects with poor resettlement outcomes, learned the lessons and fashioned a very effective program at Magat River (para 2.18). In Ghana Kpong Hydroelectric, there was similarly a strong willingness to adjust, based on the experience gained from the Akosombo dam. In addition, decisions on policies as well as preparation of plans for Kpong were made by the team responsible for resettlement at Akosombo. In Thailand, EGAT regularly undertakes ex-post evaluations of its projects several years after completion (Table 2.B.10).

3.5 Similarly in India Maharashtra Irrigation II, having introduced resettlement and rehabilitation legislation in 1976 - whereby affected families were eligible for replacement agricultural lands, while landless agricultural laborers were to be given houseplot in the same area to enable them to reestablish their livelihood - government took the opportunity to build on and refine the experience gained. Further legislation was introduced in 1986, which strengthened the definition of "affected person" to include brothers of extended families and other residents of the affected villages, regardless of whether they owned land or not. This legislation has been important in putting into effect a resettlement program which has given a very fair deal to the eligible families. It is also appropriate in a state which has the greatest number of large dams^{29/} under construction in India (631 out of a total of 1,554).

B. Legislative Framework

3.6 An appropriate legal framework provides established and clear policies and guidelines which:

- define eligible people adequately;
- assure fair and equitable compensation;
- establish rights and responsibilities, delineate powers and duties, for relocation and rehabilitation for all affected persons;
- provide the processes and timetables for addressing the many issues which arise in resettlement;
- establish mechanisms for grievances not only regarding cash compensation but, equally important, the administrative decisions taken by officials responsible; and
- determine priorities among conflicting national policies.

3.7 It is important that these policies be in place at the planning stage. In Ghana Kpong Hydroelectric and in India Maharashtra Irrigation II there was a clear legal framework. It was the restrictive interpretation of the legislation in India Maharashtra Irrigation II which caused

^{29/} Above 15 meters in height and as of 1979, latest data available.

dissatisfaction particularly among the brothers of the extended families and the landless. The surveys in Thailand Khao Laem Hydroelectric and India showed that there are almost always certain vulnerable groups which, as the Bank's legal paper pointed out, do not fit the traditional legal mode of established rights: illegal aliens (Thailand), minors (Thailand and India); brothers in the same family unit (India Maharashtra Irrigation II); landless (India); those with no documented land rights (Thailand). While some may be eligible for compensation, they are seldom eligible for relocation and rehabilitation. The income figures for India Maharashtra Irrigation II showed that those who were eligible for the resettlement package were generally better off than before; but the limited definition meant that there were also other households which did not benefit directly. The greatest degree of dissatisfaction in the surveys (para 2.7) came from among these groups.

3.8 It was the lack of such policies in Thailand Khao Laem Hydroelectric which made the task considerably more difficult for EGAT and also contributed to settler dissatisfaction when planning became preoccupied by a number of unresolved legal issues, rather than determining, for example, actual land use. In India Karnataka Irrigation, through technical assistance supplied by the Bank, a resettlement bill was drafted in 1987, was promised to be enacted in 1988 but is still awaiting Presidential approval in 1993. Relocation and rehabilitation was undertaken under the aegis of government orders which are not legally binding and can be revoked or amended at any time.

3.9 A legal/policy framework for resettlement is often absent or inadequate.^{29/} In countries where the legal system derives from a written code and court determined case law, the Bank can assist in drafting legislation. In countries such as India, national legislation would ensure consistency of treatment within and across states. In other countries where the legal system is more informal, based for example on customary law, then the political commitment to restore the living standards for all affected people could be expressed in the form of agreed basic entitlements (see Box). It is important that this be agreed upon with government early in the planning process and, if included as part of the Loan Agreement, would be in effect a contract between the Bank and borrower.

Basic Entitlements for Project Affected Persons

1. All persons affected by project construction or operation have the right to fair and equitable compensation.
2. Persons that must be displaced are entitled to receive adequate compensation and relocation assistance.
3. All affected persons are entitled to full information concerning project needs and justification, relocation implications/plans, compensation policies/standards, and legal rights/process.
4. Acceptable plans should be developed which deal with health impacts on project affected persons.
5. Persons affected by the project are entitled to have their income levels fully restored or improved within two years of moving. Any loss of income should be compensated for until the resettler's income generating capacity is restored.
6. Persons affected by the project are entitled to share in the project benefits.
7. All persons, regardless of status, have the right to dispute compensation and relocation treatment via an independent body and have the right of appeal to a legal authority.

^{29/} This was also a finding of the ASTEN Review, footnote 13.

C. Comprehensive Planning

3.10 Careful preparation in Thailand Khao Laem Hydroelectric by EGAT has provided one of the few examples of baseline socioeconomic data for measuring changes in incomes over time. The Evaluation Reports also show that good planning was a reason for the satisfactory results in other projects in Thailand, in the Philippines Magat and Nepal Kulekhani.

3.11 Nevertheless, the OED impact evaluations show that planning could have been improved. Socioeconomic/base line surveys were often carried out under very general terms of reference without adequate thought as to what information was important and necessary and to what use the information would be put. At the time of the survey, there was often not sufficient clarity or information about who was considered to be affected and who was eligible for resettlement. In Ghana Kpong Hydroelectric, lack of early attention to planning the agricultural component, including the cultivation practices and the amount of land required, was the principal reason why agricultural replacement land was only about one third what had been cultivated before resettlement. Absence of detailed information meant that the agricultural program then became diverted first in trying to establish the extent of fallow lands and then to get adequate lands cleared for cultivation. A post project phase expected the remainder of lands to be cleared and agricultural supporting services to be provided, but this did not materialize. There was also under-estimation of requirements (para 2.28). In India Karnataka Irrigation, where the landless were eligible only for a houseplot, well-focussed and intensive surveys would have revealed the important customary rights other than land tenure which affect the income of landless households (for example, usufruct rights to the milk of cattle tended).

3.12 In Thailand, EGAT sought the views of half the affected population in the course of the socioeconomic survey. This information was used in the planning stage, although resettlers had no involvement in the choice of resettlement sites, which may have produced a more satisfactory outcome from their perspective. Settler views were similarly incorporated into the planning process in Ghana Kpong Hydroelectric; no such involvement was evident in India.

D. Development Program for Restoration of Income

3.13 The majority of resettlers in the OED impact evaluations were dissatisfied with their incomes, except in India Maharashtra Irrigation II (para 2.7). In part this was due to lack of an effective development program which would permit restoration of income. The Evaluation Reports also show that a sound development program is usually missing in other Bank-supported projects. Too often, the relocation of households is regarded as the end of the resettlement exercise.

3.14 The baseline survey in Thailand Khao Laem Hydroelectric and consultation with affected families in Ghana Kpong Hydroelectric showed that households wanted replacement lands above all else. In both projects, the dissatisfaction with the resettlement outcome centered on the lack of replacement land, which was only between one half and one third, respectively, of what they had had before. In Thailand Khao Laem Hydroelectric, resettlers also complained that the quality of the replacement land was not the same as that which had been inundated. In Ghana Kpong Hydroelectric, households even described their dissatisfaction as "unfulfilled promises". Lack of replacement land explains why instead of the significant change in cropping patterns as expected at appraisal, agricultural production fell due to the reduction in the size of farms and continuous cropping on lands which formerly had been left fallow for extended periods. Similarly in Thailand Khao Laem Hydroelectric, agricultural intensification did not take place, yields were lower than

estimated, and the expected cropping patterns were not adopted. The importance of agriculture to incomes declined over the period; the contribution of non agricultural activities increased substantially after resettlement. Yet this phenomenon was also evident in other parts of rural Thailand,^{29/} so the degree to which this can be attributed to resettlement itself, for example, the construction of an all weather road to the provincial capital, is harder to determine.

3.15 In India Karnataka Irrigation, Government failed to provide alternate replacement agricultural land although this was a covenant in the credit agreement. Households lost two thirds of their irrigated and rainfed lands, yet compensation was inadequate for most households to be able to buy lands privately, and there was no provision (as in India Maharashtra Irrigation II), to become potential beneficiaries of the irrigation project. While the follow-on project was expected to tackle both the inadequate compensation and the lack of economic opportunities, progress has been minimal and the project is currently under partial suspension of disbursements over resettlement issues.

3.16 In India Maharashtra Irrigation II, it was the development program, with its provision to move people into the command area, which is a principal cause for satisfaction. Yet only half the affected families were eligible for replacement land. The initiative of these resettlers, and their good access to supporting services, is clearly seen in the higher crop yields in the resettled villages, even when compared to the host villages in the command area. This despite the fact that the full potential has yet to be realized due to unreliability in water supply.

3.17 The higher incomes and lower poverty levels in the India Maharashtra Irrigation II command area are testimony to the contribution which irrigated agriculture can make to rural incomes. This has been noted in many other irrigation OED impact evaluations. A universal finding in all the surveys was that resettlers wanted irrigation. In Ghana Kpong Hydroelectric, three of the six villages were promised irrigation which did not materialize. The attraction of irrigation to farmers was also evident in India Karnataka Irrigation, where many of the farmers who lost only lands invested their compensation monies in irrigation equipment and thereby were able to have relatively higher incomes as a result.

3.18 Project experience shows that technical support is particularly important for projects with resettlement components, since farming populations often have no choice but to change their farming systems - shifting cultivation to intensification, lowland irrigation to upland farming, rainfed agriculture to irrigated. While the resettlement plan in Thailand Khao Laem Hydroelectric expected the involvement of the Cooperative Promotion Department and of the Ministry of Agriculture in Ghana, a feature in both projects was the poor agricultural supporting services provided. The fact that these were power projects may have contributed to this weak effort; the remoteness of the location in Thailand Khao Laem Hydroelectric was also a factor. In Thailand Khao Laem Hydroelectric and Ghana Kpong Hydroelectric, about one third received visits from extension workers, in the latter project, farmers sought out extension workers themselves.

E. Community Involvement

3.19 Effective participation assumes consultation with the affected families, which was found in both Ghana Kpong Hydroelectric and in Thailand Khao Laem Hydroelectric at the planning and

^{29/} "Impact Evaluation Report: Thailand - Second Northeast Thailand Irrigation Project." OED Report No.8494. March, 1990.

implementation stage, but not in India. The importance of participation is highlighted in each of the three regional reviews^{31/} while the costs of lack of communication are shown most starkly in the Philippines Chico project.

3.20 Much depends on the calibre of local leadership. Lack of good leadership was evident in the Philippines Upper Pampanga where NIA failed to persuade the leaders to move downstream to irrigated lands in the command area. Villagers were reluctant to leave their ancestral homes and, at the time, plenty of opportunities were available around the damsite first with construction of the civil works, thereafter with a watershed protection project. At impact evaluation, when these employment opportunities were almost finished, while the few families who had moved to the command area were very satisfied, leaders said they regretted the decision to remain behind. By then, however, it was too late for families to move into the command area, unlike in India Maharashtra Irrigation II.

3.21 Local leaders in India Maharashtra Irrigation II clearly saw resettlement as an opportunity to be grasped to improve their economic and social situation. Caste differences in part explain this. In India Maharashtra Irrigation II, the presence of fellow ethnic groups (Maratha) in the new resettlement areas helped to smooth the transition, in that local leaders campaigned to obtain release of lands to give to the resettlers. Similarly in Thailand Khao Laem Hydroelectric, the spiritual head of the Mon bargained with EGAT not only to have his temple, complete with massive teak columns, moved up from the floor of the dam, but also to have a brand new temple built for his followers. Similarly in Ghana Kpong Hydroelectric, VRA made considerable efforts to get the village chiefs involved in setting up organizations which would then be responsible for the operation and maintenance of village services. Lack of interest on the part of the chiefs then led VRA to try to set up independent Resettlement Management committees, charged with this responsibility. Chiefs, however, felt that these challenged their leadership and opposed such institutions.

3.22 The process of consultation with communities takes other forms. In Thailand Khao Laem Hydroelectric, the baseline survey included, as part of its terms of reference, the villagers' opinions and attitudes concerning anticipated problems, evacuation, expected assistance, new settlement areas. Over one quarter of the survey was on attitudes and expectations. The OED survey showed that much of this information had been followed up by EGAT.

3.23 **HANDOVER OF VILLAGE SERVICES.** In all villages there was a better standard of village infrastructure than was generally the case before moving. The only dissatisfaction noted with maintenance was in Ghana Kpong Hydroelectric. This was due to two factors. Although the villages had been handed over to the local authorities, they had no monies for maintenance: scarce resources would in any event have gone to other villages in the district which did not have such standard of social infrastructure. Second, the decline in incomes meant that households themselves were seldom able to pay for services. In Thailand Khao Laem Hydroelectric, the handover was well organized where EGAT provided a revolving fund for maintenance of village infrastructure.

3.24 **Hosts.** The good relations with host populations in both projects in India were due to three factors. First, the distance was not far: the new villages were still within the social catchment area of the former villages; second, the affected people were of the same caste (India Maharashtra Irrigation II); and third, the host populations felt sympathetic to the plight of the affected families (India Karnataka Irrigation). That resettler incomes were higher than those of the hosts in India

^{31/} For citations see footnote 13.

Maharashtra Irrigation II had not resulted in any resentment. In Ghana Kpong Hydroelectric, whereas relations started out well, the situation deteriorated over time following land disputes and failure to provide compensation for lands acquired for the resettlers.

F. Resettlement Costs and Funding

3.25 Information is available from some, but not all the Evaluation Reports, on costs for both compensation and resettlement. Compensation costs are seldom replacement value. Nevertheless, replacement value is a necessarily fluid concept which cannot easily be codified, thus making accountability on the part of the bureaucracy difficult. One solution is to separate the costs of compensation for lost assets from the cost of restoring incomes and living standards. This would also ensure that there was adequate financing of resettlement operations. Among the OED impact evaluations, accurate data were only available for Thailand Khao Laem Hydroelectric. On the basis of the information which is available, costs are always underestimated.^{32/} Poor cost estimates are due to:

- underestimation of resettlement activities, including the costs of planning studies, rehabilitation/transfer and maintenance, development investment, technical and social assistance;
- use of unit prices which are unrealistically low;
- lack of detailed plans upon which to base cost estimates.

Another problem relates to funding and disbursements. In all four OED impact evaluations, compensation and resettlement costs were, for the most part, the responsibility of the respective governments. While no particular problem was noted, and the financing schedule in Ghana Kpong Hydroelectric was adhered to despite economic difficulties (para 3.3), a number of projects have failed to reach planning targets because there was a lack of funding. This has been the experience in China, for example, several years have often elapsed before the underfunding is rectified.^{33/}

^{32/} This is also a finding of the LATEN Review, see footnote 13.

^{33/} China, see footnote 14.

CHAPTER IV: RECOMMENDATIONS AND KEY REQUIREMENTS FOR SUCCESSFUL RESETTLEMENT

4.1 The findings of the four OED impact evaluations and the Evaluation Reports to date, reviewed in Annex A, show that the current guidelines as laid down in OD 4.30 cover the relevant issues. Bank guidelines, however, are not always implemented, in part or in entirety. A question also remains as to how many projects which displace people escape these guidelines altogether. This Overview and the OED impact evaluations have shown how little information is generally available for large infrastructure projects where displacement of people is self evident. A recent review in South Asia^{34/} of project completion reports prepared in Asia between 1988-90, showed that about 60 percent of all projects involved land acquisition.^{35/} The Bank-wide review currently underway is expected to address this aspect.

4.2 The Evaluation Reports show that the overall record in India is poor to the extent of being unacceptable.^{36/} To a great extent, this is a result of the Bank guidelines not being implemented. There has been a gap between intent and reality. Annex A indicates that this is the country with the largest number of projects which have resulted in people being displaced. This alone would normally warrant special attention. Annex A also shows that performance, in terms of a satisfactory outcome for the affected families, is the poorest of all Bank borrowers. In India, part of the problem is associated with the responsibility of individual state governments for land. Given the difference in performance between and within the states, however, the time is opportune for the central government to take a leadership role and act upon defining policies and procedures in order to ameliorate performance in the future.^{37/} Other agencies, including in large countries with a federal structure such as Brazil, have demonstrated a willingness to improve policies, procedures and performance when confronted with a poor resettlement outcome.^{38/} The fact that a reasonably satisfactory outcome can be accomplished in India is well illustrated in India Maharashtra Irrigation II. Future Bank financing of projects which require involuntary resettlement in India, should be subject to demonstrable government commitment at the state as well as the federal level.

4.3 For the Bank's part, this particular experience indicates a need for better Bank management attention to resettlement, including:

- How guidelines are best implemented. While the experience in India might call for ODs which emphasize prescriptive and detailed instructions, a number of other governments have fashioned effective resettlement programs, with and without the

^{34/} ASTEN Review, see footnote 13..

^{35/} Any project which requires the acquisition of more than 200 ha of land will probably displace human populations. LATEN Review, see footnote 13.

^{36/} A finding also of the 1991 Irrigation Sector Review, para 4.56 Report number 9518-IN dated December 20, 1991.

^{37/} The ASTEN Review (see footnote 13) also highlighted the need for national resettlement legislation "to consolidate, harmonize and improve the myriad local level ad hoc policies and procedures and to make them applicable to all sectors".

^{38/} For details see footnote 23.

Bank's help. This would suggest that, ODs instead set clear objectives, roles and responsibilities, thereby encouraging initiative, the exercise of judgement and accountability on the part of both borrowers and Bank staff.

- ❑ The current system within the Bank of increased accountability by country departments, together with cooperation and support from the central functions, will require that managers are indeed held accountable for actions or inaction.
- ❑ When new guidelines are introduced, these should be applied retrospectively to all ongoing operations. It is an accepted legal principle that while imposition of new norms retroactively is discouraged, legislation can be applied retrospectively, in order to ameliorate current conditions which have arisen from past actions.
- ❑ The failure to communicate at supervision - where findings from the field missions were only weakly, or not at all, conveyed to government in the follow up official correspondence, needs to be addressed.
- ❑ The Bank must pursue its responsibility to ensure that covenants are in compliance. There seems little purpose in including covenants if the Bank is not willing to enforce them through follow-up with government.
- ❑ There is need for a more uniform policy of covenant adherence across countries; it is not sufficient that covenants are enforced in some countries and largely ignored in others.
- ❑ The Bank may consider providing loans to help borrowers reform their resettlement policies and programs.

4.4 Have the guidelines helped improve performance? Treatment of the issue is more systematic in some respects, for example, preparation of resettlement plans. Annex A shows that most, but not all, of the projects approved since 1980 had resettlement plans. Other important issues are not covered. Information on minimization of displacement is hard to find; notwithstanding the importance of restoration/improvement of income levels, many Bank projects were approved without any detailed or viable rehabilitation plan; data on costs are lacking or not fully treated.

4.5 Have these guidelines helped to attain satisfactory resettlement results and outcome? Annex A shows that only very general judgements on satisfactory or unsatisfactory outcome can be made. Some trends are evident. The majority of projects are in the power and agriculture sectors. More projects in the power sector are judged satisfactory by the PCRs/PARs among those approved after 1980 than before. For agriculture, (where most projects are in the irrigation subsector) trends are less evident, since the great majority of projects were approved before 1980. Of the seven which were approved after 1980, four were deemed satisfactory and three unsatisfactory - all of the latter in India. Nevertheless, the basis for these judgements is not entirely clear. Any review at project completion would, because of delays in implementing resettlement, be a review of compensation and relocation, not rehabilitation. Determination of whether income levels have been restored will only be possible if provision has been made for monitoring and evaluation.

4.6 Apart from a few exceptions, Bank guidelines have not led to improved monitoring efforts which would permit an assessment either of resettlement implementation through agreed

benchmark criteria^{39/} and timetables being established at the outset (Table 2.A.14) or of resettlement outcome, particularly in respect of the crucial criterion of incomes. Projects have not collected the baseline information necessary to determine, at the evaluation stage, whether incomes and living standards have been restored. A 1990 review was unable to find a single study of a Bank-financed project in Latin America which quantitatively demonstrated that a resettlement population had been adequately rehabilitated in terms of income, health or other social welfare measures. In the Africa region, a principal finding of a 1992 review was that it was impossible to measure the impact of resettlement, due to the fact that (i) resettlement may not have been identified until well into project implementation; (ii) where baseline studies were undertaken, no provision was made for monitoring and evaluation; (iii) funds for monitoring and evaluation were diverted to other project purposes.^{40/} Annex A also shows that very limited information is available. The focus continues to be on aspects which were reviewed prior to the Bank guidelines: land acquisition for the civil works, payment of compensation and timely evacuation of people from the project area. The value of baseline socioeconomic surveys *with conceptual clarity* has yet to be recognized (Table 2.A.2). These are important for several reasons. They would help to establish basic facts which, too often have been missing in the past, yet are essential for effective planning. The difference that is possible between actual incomes and other indicators, for example, levels of "satisfaction" or "dissatisfaction", can be seen from the OED surveys, and reaffirm the need for income data.

4.7 The absence of this monitoring and evaluation effort is a serious *lacuna*. While it is largely explained by lax quality assurance, inadequate coaching and shortage of skills, it gives rise to an impression that the Bank is not seriously interested in the achievement of this objective. This is weakening the Bank as it deprives management of the information needed take remedial measures to counter public criticisms that involuntary resettlement invariably results in human misery.

4.8 Implementation of Bank guidelines can be improved and Table 2 gives details. Four recommendations can be stressed. First, much more systematic attention needs to be given to minimizing displacement. There is little evidence of this. As the experience in Ghana Kpong Hydroelectric shows, this typically takes place upstream in the planning stage - in the very early identification period and has implications for the Bank (para 4.11).

4.9 Second, another element which is often lacking is rehabilitation. Bank policy embraces the concept of using resettlement as an agent for change, including economic development. The surveys have shown that the resettlers themselves seek new opportunities. Yet project planning and implementation is normally absorbed with compensation and relocation: assessing and paying compensation, drawing up or refining resettlement plans, constructing replacement/social infrastructure, moving hundreds or thousands of people, all while concurrently constructing large infrastructural works. To expect to put in place productive activities which will restore, or increase, their former standards of living within the normal timeframe of an investment project, is a difficult task to undertake concurrently. One solution would be to move the process upstream in the project cycle. Resettlement could start immediately after project initiation and be completed a minimum of two years before project closing to ensure that incomes were fully restored by project completion. One possible drawback is that people are reluctant to move until the last moment. This may be

^{39/} As the report on Lessons Learned from Narmada, Sec M93-516 dated May 24, 1993 also pointed out, these avoid setting what can be described as "moving targets" during supervision.

^{40/} See footnote 13.

offset if there is a clearly defined rehabilitation program underway which is communicated to the affected people. Moving the process upstream would also concentrate attention on the potential benefits of minimization of displacement.

4.10 The positive experience in Maharashtra Irrigation II of the higher incomes in the command area, the expressed desire on the part of resettlers in all four projects for irrigation, the strategy in China to invest in irrigation^{41/}, all indicate that this is an important option. Another solution would be a separate investment project (or sub-project if it is a relatively small resettlement program) which will begin after people have been moved, and which will have as its objective to increase the incomes of the affected families. Compensation and relocation will be the responsibility of the agency implementing the project, while the rehabilitation project will be the responsibility of the particular line agency. A separate project will also have the benefit of not complicating an already complex process. A danger is that since different groups are being moved at different times, a follow up project may introduce a further time delay in what is often a long drawn out process to restore incomes and living standards.

4.11 These two recommendations suggest that the Bank's project cycle should be expanded both upstream and downstream to accommodate the complex task of involuntary resettlement.

4.12 Third, all projects that involve significant resettlement should specify separate costs for resettlement as part of project costs. This should be estimated with the same degree of effort as for other key project components. To achieve this, costs should be based upon (i) detailed resettlement plans; (ii) the replacement value of affected assets; and (iii) the financial and social costs of reestablishing incomes and living standards. There is also need for a detailed financial plan and schedule for acquiring, managing and disbursing resettlement funds.

4.13 Finally, the resettlement process itself needs improving. A recurring theme throughout the evaluation reports is the complexity of resettlement, which calls upon a wide range of skills^{42/}. Even in Thailand Khao Laem Hydroelectric where incomes are higher than before, and the agency proved adept at dealing with the many issues which emerged during implementation, the process of dealing with resettlement did not move in distinct, sequential stages from one fact finding or decision making step to the next one. Instead of building on sound foundations from surveys to (a) establish facts; (b) identify matters of policy and deciding on them; (c) reach agreement on land availability, compensation and land allocation; (d) select resettlement sites; and (e) prepare a resettlement plan, the work proceeded in overlapping fashion often before relevant facts had been established or issues resolved. Inevitably, work had to be repeated, changes made and avoidable delays occurred. Table 2 is based upon lessons derived from these OED impact evaluations and Evaluation Reports and summarizes the steps which need to be considered in planning and then implementing resettlement. These are sequential recommendations which are responsive to the Bank's operational directives.

4.14 Cumulatively, these four recommendations suggest that the "social dimensions" of civil works construction projects require much greater attention by member country governments - as well as by the Bank. Unless these aspects are mastered, the development enterprise itself will continue

^{41/} See footnote 14.

^{42/} Sociological/anthropological, agricultural, engineering, industrial, cost accounting, economic, financial, rural planning, urban planning, institutional, environmental, infrastructural/social services, training, legal, procurement and project management.

to be dogged by public protests. Hence, beyond the project by project activities required, institutional development to deal with resettlement issues might be pursued as a valuable development objective in its own right.

Table 2: Key Requirements and Recommendations for Planning and Implementing Satisfactory Resettlement

Key Aspects	Significant Issues/Questions	World Bank Record	Recommendations
A. PLANNING PHASE			
1. Project Impact on People OD 4.30 - para 11	Need for complete understanding of socioeconomic impact including health effects of project (causes, timing, scale). What are the relationships between project components, eg canals, and project affected people (PAP).	Bank's focus on the project tends to provide a good understanding of impacts but project screening by resettlement expert not always done at identification.	Resettlement planners must understand project components. PAP should be enumerated at feasibility/ design stage and rigorous treatment undertaken of alternatives which could minimize displacement.
2. Project Affected People (PAP) OD 4.30 - para 11	A good understanding of PAP is essential to assess property impact, develop RS plans and implement RS smoothly. Key concerns: - minority/ethnic groups - complex land tenure (landless) - aliens - economically disadvantaged groups - language/religious/culturally distinct - income levels	Baseline data tends not to provide a complete profile of PAPs. Consequently, far fewer people receive assistance than are affected by the project. Income data are especially weak and Bank does not provide sufficient methodology/guidance/time to collect good data.	More intensive socioeconomic surveys should be conducted of affected households and of host households. Planning agency may need TA (or external agencies could be used), funding and time required. Bank could supply basic survey questionnaire/methodology as well as funding to Borrower. Income data essential.
3. Resettlement Criteria OD 4.30 - paras 3, 12	Need to establish the standards for resettlement and the rights of affected individuals before proceeding with planning. (Box - Charter of Rights).	Bank relies on existing laws and policies. These are often not specific to RS and provide incomplete guidelines for planning.	Establish RS criteria that will be used for planning and to establish benchmark criteria by which progress can be regularly monitored.
4. Compensation Standards OD 4.30 - para 14	Does a system for compensation exist? Are the standards fair? Are mechanisms in place to provide proper compensation to affected households? Is it forthcoming and timely? Is it transparent to resettlers?	Bank does focus on compensation but it has sometimes failed to assess whether stated compensation standards are adequate to replace lost assets.	A careful assessment of compensation standards and RS requirements must be done, particularly for budgetary purposes (Item A-9).
5. Consultation with PAP OD 4.30 - para 8 OD 4.01 - para 19	Are PAPs aware of the project? What is their opinion? Have agencies discussed project need/justification, RS compensation, RS strategies/plans? How many PAPs wish to move to (i) resettlement centers and (ii) elsewhere? Have PAPs been involved in developing RS strategies and plans? What are their priorities, e.g., education facilities, irrigation?	This has been done more often by implementing agencies. There is risk that PAP expectations will not be met unless this is closely linked to agreements with government (Item A-14). A number of PAPs prefer to resettle on their own.	Need to agree on acceptable levels and methods of public consultation at the start. Need to involve independent agencies (NGOs). It should not be assumed that all PAPs will resettle in resettlement sites, as some dispersal can be expected. Involvement of community groups will also help in handover of social services.

Key Aspects	Significant Issues/Questions	World Bank Record	Recommendations
<p>6. Identification of RS Sites</p> <p>OD 4.30 - para 13</p>	<p>Identification of adequate and acceptable RS sites is imperative for land-based RS and community relocation. Need to consider alternative options. Areas of concern:</p> <ul style="list-style-type: none"> - land availability nearby (including protected forests) - quality of farmland - need to change livelihoods - distance from original site - host acceptance - dispersed versus grouped sites 	<p>Bank places a major focus on this aspect. Problems include 1) lack of alternatives; 2) inadequate assessment of land carrying capacity; 3) unsecured land in receiving area (no host acceptance); 4) inadequate assessment of costs.</p>	<p>Feasible sites should be identified prior to project approval with due consideration to distance involved (closer often leads to better host acceptance), movement to command area and health considerations. There should be formal agreements between affected and host villages (Item A-14). Sites must be compatible with plans (Item A-7).</p>
<p>7. Development of RS Plans</p> <p>OD 4.30 - paras 4,5</p>	<p>Detailed RS plans are required prior to project approval. Is there an agency capable of planning? Has funding been provided to carry out planning? Planning may be done by the implementing agency, local government and/or special institutes.</p>	<p>Detailed planning is often postponed because RS is years away. Plans tend to be conceptual, which cannot be properly evaluated or costed.</p>	<p>Ensure that planning proceeds at good pace based on numbers of people affected, timing and complexity. Detailed plans should be ready for project appraisal and reviewed just prior to the villages being moved. Planning for RS should be at same level of detail as Project engineering.</p>
<p>8. Appraisal of RS Feasibility</p> <p>OD 4.30 - para 30</p>	<p>Based on plans, is RS technically and financially feasible? Have alternatives been considered to minimize risks? Key elements of RS should be scrutinized before appraisal.</p>	<p>Bank is generally good at appraisal, but does not always give proper attention to RS. If plans are lacking, appraisal cannot be completed. An Executive Summary of an incomplete RS plan won't suffice; critical issues are simply postponed into implementation.</p>	<p>Ensure that critical RS components have been identified and addressed. Bank should carefully appraise RS feasibility reports.</p>
<p>9. Resettlement Cost Estimate</p> <p>OD 4.30 - para 5</p>	<p>RS costs for implementing proposed plans may be quite different from funds estimated by compensation standards. There is often a need to increase compensation amounts and find other sources of financing.</p>	<p>Bank focuses on construction costs (labor, materials and equipment), but without detailed plans, costs have been underestimated. In lieu of carefully costed plans, Bank has relied on compensation estimates which are typically low.</p>	<p>RS cost estimates should be based on replacement of living conditions, livelihoods and public infrastructure, which should be rigorously estimated and separately specified.</p>
<p>10. Resettlement Organization</p> <p>OD 4.30 - para 6</p>	<p>What is the capacity of local agencies to implement RS program (supervision, decision-making authority, coordination of implementing agencies, financial control, materials control). RS Organization (PMO) must coordinate with project PMO. Local (grassroots) agencies must be strong to oversee successful RS. RS is often preoccupied by physical construction targets.</p>	<p>Bank has generally focused on this aspect. One shortcoming is that institutional strengthening (when identified) is put off too long and is not in place when implementation starts.</p>	<p>Careful assessment of RS implementation capacity and constraints is needed. Recommended institutional strengthening should commence quickly; this may require separate and earlier funding. Agencies and staff with previous experience could be more utilized.</p>

Key Aspects	Significant Issues/Questions	World Bank Record	Recommendations
<p>11. Implementation Planning and Scheduling</p> <p>OD 4.30 - para 21</p>	<p>RS is often left too late in the implementation Schedule which can cause disorder during the most critical RS phase. Implementation planning needs to be detailed, accurate and final plans should precede implementation by several years. This applies to construction zone RS as well.</p>	<p>Bank is concerned about scheduling but if plans are not detailed, they cannot address implementation problems. This frequently results in rushed evacuation rather than orderly RS.</p>	<p>Close scrutiny should be paid to implementation plans two years prior to moving. Ensure schedules are realistic. Utilize experience from early phase of RS.</p>
<p>12. Financing Plan and Schedule</p> <p>OD 4.30 - para 4</p>	<p>Is adequate financing available? What are the various sources and how secure are they? Is there a realistic schedule of financing requirements? Is there a mechanism to deal with inflation? Are the RS cost estimates realistic (Item A-9) and have agreements been made (Item A-14).</p>	<p>Bank reviews financing plans. If RS is managed separately from the project, there can be less emphasis on guaranteeing funds and ensuring good financial control.</p>	<p>Plans to finance RS should be linked to project financing (i.e., the project should not proceed unless all RS financing is in place). Agreement on mechanism for inflation adjustments and consequent additional funding is critical.</p>
<p>13. Preferential Policies and RS with Development</p> <p>OD 4.30 - para 3(b)</p>	<p>In some countries, preferential development policies are provided to assist the RS program during and after implementation. These can include tax breaks, industrial assistance, education and training. The funds can come from project benefits and/or the State and/or local government. In others, PAPs have been included as project beneficiaries (i.e., of an irrigation project).</p>	<p>Bank has endorsed "RS with Development" and has looked favorably on preferential policies as means to this end. Experience with including PAPs as project beneficiaries has been very successful.</p>	<p>Encourage preferential policies where relevant and PAP should become project beneficiaries. Otherwise a separate development project or subproject may be necessary to assure full rehabilitation and benefit hosts also.</p>
<p>14. Agreements</p> <p>1) Government</p> <p>2) PAP</p> <p>Covenants</p>	<p>1) Have agreements been signed by the relevant jurisdictions (regarding plans, costs, financing, schedules, disbursements).</p> <p>2) Have agreements been signed with the PAP or villages (regarding compensation, new sites, new livelihoods, land sharing with host villages)?</p>	<p>Bank has recently stressed the need for agreements for the RS program. Agreements can be difficult to finalize years prior to actual moving; at least workable sample/pilot agreements are needed.</p>	<p>Bank should advance the timetable for agreements to ensure they are in place prior to implementation. Key agreements (costs, plans, sites, financing, PAP acceptance) should be signed before negotiating the Project loan. These can then form the basis for measuring performance (Item B.8).</p>
<p>B. IMPLEMENTATION PHASE</p>			
<p>1. Project Management</p> <p>OD 4.30 - para 6</p>	<p>Is there a strong management organization (PMO) in place for RS? Is there good coordination with local agencies? And with PMO for the construction project?</p>	<p>Assessment of PMO capability for RS is difficult until implementation has begun, at which time actions are required to rectify problems.</p>	<p>Ensure a strong PMO exists at an early stage (utilize experience of construction zone RS). Provide training in project management systems. There should be independent monitoring.</p>

Key Aspects	Significant Issues/Questions	World Bank Record	Recommendations
2. Physical Capacity to Implement RS OD 4.30 - para 6	Are there adequate staff, equipment, vehicles, etc? Is there adequate capacity to construct RS infrastructure on schedule?	Bank has set up monitoring guidelines to ensure physical progress is on schedule. Problems occur when schedule is too tight. No contingency plans when schedule falls behind.	Ensure there is a realistic schedule. Follow-up plans to strengthen local RS agencies. RS PMO should monitor continuously and give status reports to Bank.
3. Material Supply and Distribution OD 4.30 - para 19	Is there a secure supply of materials? Is there protection against price inflation? How are materials procured, stored, and distributed? Is there capacity to maintain adequate inventories? Is there good control and coordination of material supplies?	Bank monitors inputs carefully during supervision, but less attention is given to RS program. Material supply constraints and price increases have often delayed RS progress.	Ensure the RS PMO has a material supply system in place. Monitor closely.
4. Transfer Mechanisms OD 4.30 - para 17	Is the capacity to move people as scheduled adequate? What burdens do the PAPs bear? Typical RS scheduling leaves too much to accomplish too late, allowing little margin for setbacks.	Bank monitors progress; it is difficult to assess immediate socioeconomic impact at the time of moving unless good baseline data exists.	A local independent agency should conduct surveys of people recently moved to evaluate success and recommend actions. RS PMO should follow-up. A remedial action mechanism should be in place.
5. Income Generation OD 4.30 - para 3(b)	Are income generation schemes ready when resettlers move? Do these schemes provide expected incomes? If agricultural development package to be provided, what links to the agricultural supporting services? Are there positive or negative effects on the host people? Do income replacement schemes adequately take account of inflation? What "safety net" is in place if incomes are not met?	Bank uses the income criteria as a key monitoring indicator, yet data on incomes typically weak. Incomes are often lower than expected and/or take longer to re-establish. Agencies implementing hydropower projects often do not have good links to the MoA.	PAPs should have their income levels fully restored within two years of moving; loss of income should be compensated for. This will require much greater attention to designing an effective rehabilitation program. All resettlers surveyed wanted irrigation facilities.
6. Disbursal of Compensation and Other Funds	Are RS funds being disbursed in an efficient and timely manner, as planned? Are there any significant delays or leakages? Are the resettlers and hosts compensated equitably, as previously agreed?	Bank generally monitors disbursement of State/Project funds to RS agencies but it is often difficult to determine how money was finally spent, and what was spent at the household level.	Ensure the RS PMO has a good management information system for financial disbursements between agencies and the eventual recipients. Monitor regularly with field checks.
7. Financial Control	What mechanisms are in place for financial control? How is price inflation handled? Do the mechanisms work? And how quickly? Who resolves financial problems and how? Are responsibilities clear?	Bank is good at monitoring financial control but RS agencies may ignore warning signs which lead to unmanageable or neglected problems.	Ensure financial control system is in place. Ensure RS PMO has authority to address financial matters quickly. Need an early warning system and accountability.
8. Monitoring and Follow-up OD 4.30 - para 22	What internal and external monitoring systems are used? Is monitoring accurate and timely? Is the information analyzed properly and acted upon?	Bank emphasizes monitoring and evaluation strongly but success depends on the interest and capability of local agencies to monitor and follow-up.	Bank should insist on high quality local monitoring to ensure that concerns are quickly assessed and remedial actions taken and followed-up.

Key Aspects	Significant Issues/Questions	World Bank Record	Recommendations
9. Handover of responsibilities to line agencies and villages OD 4.30 - para 10	What mechanism to hand over responsibility for social infrastructure to villages? How are services to be maintained? What village institutions exist to undertake this task? What services available to provide post project health services, e.g., health, agriculture?	Typically disengagement has come some years after project completion and thus the Bank has not been directly involved.	Surveys (A.2) and consultation with PAP (A.5) will have identified settler perception of resettlement. Leaders can be encouraged to see how best the village can assume these responsibilities. Seed money may be necessary. Monitoring and follow-up needed by MOH, MOA.
10. Evaluation OD 4.30 - para 22	How successful is/was RS implementation? Was planning adequate and were plans followed? What problems arose and how were they addressed? How could implementation be/have been improved?	Bank requires an evaluation of RS after project completion and during RS if major problems are anticipated or the project is of large scale. Typically no data are available on incomes.	Evaluations should be an integral component of the RS PMO implementation plan. Data must be collected to measure incomes. Dissemination of lessons within and across countries.
C. NON-PROJECT ISSUES			
1. Resettlement Legislation	Is there national or state legislation that deals with compensation standards, resettlement policies and the rights of PAP? If not, can individual rights be respected by agreed basic entitlements.	Bank focuses on existing laws and regulations for specific projects. There are recent attempts to strengthen national policies. A few state laws exist or are proposed.	Countries or states with development plans that imply large scale RS should strengthen or reform existing legislation that relates to RS, or be willing to recognize basic entitlements (Box).
2. Government Institutions	Are there government ministries/departments or agencies that have a mandate to establish and administer RS policies/ compensation standards; scrutinize planning; and monitor implementation? Are there any mechanism for transmitting experience across agencies?	In some countries, RS agencies are nonexistent or inadequate. In some countries there is a rapid learning curve.	In countries where institutional capacity is weak, efforts should be made to expand or create national RS agencies to oversee future projects. Lessons can be learned within countries by different agencies.
3. Bank Loan Covenants	Are the fundamental aspects of RS implementation included in the Bank loan covenants with governments?	Bank loan covenants vary significantly from project to project in the manner in which they deal with RS issues. General conditions can be cursorily satisfied or not complied with at all.	Bank has to work on ensuring that political commitment exists to implement loan covenants.

Abbreviations

- RS = Resettlement
- PMO = Project Management Organization
- Bank = World Bank.

Bank-supported Projects Involving Resettlement
for which Evaluation Reports are Available, 1975-1993

Report	Country	Project Name	Ln./Cr. No.	Approval Date	Closing Date	Approval Before or After OMS 233 Feb.80		Sector	Resettlement Results * SATisfactory UNSATisfactory	Comments
						Before	After			
AFRICA										
PAR	CAMEROON	Urban Development	L2244	03/15/83	06/30/88		✓	URBAN	UNSAT	Delays, including issuing of land titles to affected families. Many families not compensated. Good collaboration with community group. SAR costs US\$1.3m. Actual costs US\$ 15.6m.
PCR	COTE D'IVOIRE	Fourth Rubber	L2323	06/23/83	09/30/91		✓	AGR	SAT	Detailed plan prepared. Larger numbers of encroachers given compensation due to delays in project civil works. Few chose resettlement. Loan agreement amended to include compensation costs: US\$1.4m.
PCR	EASTERN AFRICA	Second Ruzizi Regional Hydroelectric	C1419 C1420 C1421	12/06/83 12/06/83 12/06/83	12/31/89 12/31/89 12/31/89		✓	POWER	UNSAT	Only compensation for lost lands was provided for at SAR. During implementation, households were displaced. Affected families not adequately compensated; no resettlement.
PCR	ETHIOPIA	Revised Amibara Irrigation	C0707	05/10/77	03/31/87	✓		AGR/IRR	UNSAT	Resettlement plan expected nomadic herdsmen to become sedentary/cultivate crops. Health aspects included at SAR and monitored during implementation. Urinary schistosomiasis reported contained but malaria increased. Need for strengthened health services in post completion phase.
IE	GHANA	Kpong Hydroelectric	L1380	03/24/77	12/31/82	✓		POWER	UNSAT	Detailed planning, satisfactory policies, experienced agency, but incomes lower than before.
PAR	SWAZILAND	Third Power	L2009	05/28/81	12/31/86		✓	POWER	SAT	Resettlement plan included health impact assessment. No significant delays, problems with water supply. SAR costs US\$2.69m. Actual costs unknown.

Report	Country	Project Name	Ln./Cr. No.	Approval Date	Closing Date	Approval Before or After OMS 2.33 Feb.80		Sector	Resettlement Results ° SATisfactory UNSATisfactory	Comments
						Before	After			
EAST ASIA AND PACIFIC										
PAR	INDONESIA	Power X (Saguling)	L1950	03/06/81	06/30/87		✓	POWER	SAT	Detailed plan prepared. Need for follow-up impact evaluation. Water quality problem.
PCR	INDONESIA	Thirteenth Power (Cirata)	L2300	06/02/83	12/31/90		✓	POWER	SAT	Plan incorporated lessons from Saguling. No delays. Systematic monitoring. Income data available and socioeconomic impact assessment undertaken.**
PCR	KOREA	Chungu Multipurpose	L1666	03/20/79	12/31/85	✓		POWER	SAT	Implementing agency did excellent job in handling urban and rural resettlement program. Compensation and resettlement costs (which include relocation of 13 km of railways) increased from US\$147m to US\$299m.
PAR	KOREA	First Water Supply	L2072	12/17/81	06/30/87		✓	WATER	SAT	Covenant required GOK to present a satisfactory resettlement program which was done one year after approval. Families resettled and given compensation.
IE	PHILIPPINES	Upper Pampanga River Irrigation	L0637	08/12/69	12/31/77	✓		AGR/IRR	UNSAT	Lack of appreciation of magnitude/complexity of task. Absence of resettlement planning led to delays; 10 fold increase in costs from US\$1.1m at SAR to US\$11.7m at completion. No income opportunities for farmers; poor choice of resettlement site but at resettlers' request. Poor resettlement resulted in watershed deforestation, erosion and siltation of the dam.
PAR	PHILIPPINES	Chico River Irrigation	L1227	03/23/76	12/31/85	✓		AGR/IRR	UNSAT	Absence of clear Bank policy on indigenous people at appraisal. Poor communication with indigenous people and inappropriate government response caused delays, resulted in clashes and in Stage II being abandoned.

Report	Country	Project Name	Ln./Cr. No.	Approval Date	Closing Date	Approval Before or After OMS 2.33 Feb.80		Sector	Resettlement Results ° SATisfactory UNSATisfactory	Comments
						Before	After			
PAR	PHILIPPINES	Magat River Multipurpose Stage II	L1567	07/22/75	06/30/83	✓		AGR/IRR	SAT	Successful outcome due to good planning; open dialogue with, and respect for, cultural traditions of resettled population; fair compensation; and establishment of independent unit to settle disputes.
PCR	MALAYSIA	Ninth Power (Bersia & Kenering Hydroelectric Dev.)	L1808	03/13/80	08/31/87		✓	POWER	SAT	Families adequately compensated for loss of income and agricultural lands. No resettlement involved. Local costs at SAR US\$5.5m equiv.; at completion US\$2.8 equiv.
PCR	MYANMAR	Kinda (Nyaunggyat) Dam Multipurpose	C1031	05/29/80	03/31/91		✓	AGR/IRR	SAT	Resettled in irrigated area downstream, given replacement houses and irrigated lands which have increased family incomes.
PAR	NEPAL	Kulekhani Hydroelectric	C0600	12/23/75	12/31/83	✓		POWER	SAT	Double the number of families successfully moved compared to number identified in pre-project survey. Some opted for cash compensation, others for replacement lands, larger than before. Actual costs: US\$1.1m versus US\$0.6m at SAR.
PAR	THAILAND	Ban Chao Nen Hydroelectric	L0977	04/02/74	12/31/80	✓		POWER	SAT	Plan prepared and agreed with Bank at approval in 1974. Implemented satisfactorily.
PCR	THAILAND	Pattani Hydroelectric	L1485	08/30/77	06/30/83	✓		POWER	SAT	Resettlement program and establishment of agricultural cooperatives successfully completed on time.
IE	THAILAND	Khao Laem Hydroelectric	L1770	11/27/79	02/28/85	✓		POWER	SAT	Very detailed environmental and social studies undertaken at preparation stage. Eligible families resettled although agricultural lands smaller than before. SAR costs US\$19.1. Actual costs US\$30.9m.
PCR	THAILAND	Mae Moh Lignite	L1852	05/22/80	12/31/87		✓	POWER	SAT	Resettlers received compensation, given new agricultural lands and village only 10 km from former villages. Quality of rural life has improved.

Report	Country	Project Name	Ln./Cr. No.	Approval Date	Closing Date	Approval Before or After OMS 2.33 Feb.80		Sector	Resettlement Results * SATisfactory UNSATisfactory	Comments
						Before	After			
PCR	THAILAND	Power Subsector	L2000	05/21/81	06/30/88		✓	POWER	UNSAT	A major component canceled due to resettlement issues. Nevertheless, resettlers from Chiew Larn were moved close to their original villages, given compensation together with a free house, rubber plot, social infrastructure, agricultural cooperative. Incomes expected to be higher than before. SAR costs for Chiew Larn: US\$14.2m. Actual US\$ 27m.
PAR	VIETNAM	Dau Tieng Irrigation	C0845	08/08/78	12/31/86	✓		AGR/IRR	SAT	No resettlement plan and no supervision by IDA. Affected families took advantage of unplanned seepage from the dam; standard of living considered to be better than before.
SOUTH ASIA										
IE	INDIA	Karnataka Irrigation	C0788	04/04/78	03/31/86	✓		AGR/IRR	UNSAT	Insufficient understanding of magnitude/complexity of resettlement. Poorly designed, funded and executed.
PCR	INDIA	Gujarat Medium Irrigation	C0808	05/23/78	06/30/84	✓		AGR/IRR	UNSAT	Not enough attention to resettlement: no understanding of planning of resettlement or compensation, nor to creation of new facilities or economic opportunities for affected families.
PCR	INDIA	Ramagundam Thermal Power	C0874 L1648	01/04/79 01/04/79	12/31/85 06/30/87	✓		POWER	UNSAT	Households resettled in sites close to former homes with minimal social infrastructure. Few opportunities were identified for rehabilitation. Agency is now becoming more aware of complexities associated with resettlement issues. Actual costs US\$11.1m.
IE	INDIA	Second Maharashtra Irrigation	C0934	10/16/79	12/31/85	✓		AGR/IRR	SAT	No planning but government committed to satisfactory outcome. Eligible families moved to command area.

Report	Country	Project Name	Ln./Cr. No.	Approval Date	Closing Date	Approval Before or After OMS 2.33 Feb.80		Sector	Resettlement Results ° SATisfactory UNSATisfactory	Comments
						Before	After			
PCR	INDIA	Gujarat Irrigation II	C1011	04/29/80	04/30/89		✓	AGR/IRR	SAT***	Cash compensation and replacement lands given. Government commented that Bank supervision input had been helpful. Covenant on water related diseases only partially implemented.
PCR	INDIA	Second Singrauli Thermal Power	C1027	05/22/80	06/30/89		✓	POWER	UNSAT	IDA should have acted earlier in identifying resettlement problems and having them implemented by GOI while enhancing agency's ability to address such problems.
PCR	INDIA	Farakka Thermal Power	C1053 L1887	06/26/80 06/26/80	12/31/88 06/30/89		✓	POWER	UNSAT	IDA should have acted earlier in identifying resettlement problems and having them implemented by GOI while enhancing agency's ability to address such problems.
PCR	INDIA	Madhya Pradesh Medium Irrigation	C1108	03/17/81	03/31/88		✓	AGR/IRR	UNSAT	Poor resettlement and rehabilitation outcome due to major institutional weaknesses on part of project management.
PCR	INDIA	Karnataka Tanks Irrigation	C1116	03/19/81	03/31/89		✓	AGR/IRR	SAT	Resettlement began poorly but eventually affected families were resettled and treated fairly to Bank's satisfaction.
PCR	INDIA	Madhya Pradesh Major Irrigation	C1177	09/15/81	06/30/91		✓	AGR/IRR	NOT YET COMPLETED	Resettlement plan prepared after delays. More families affected than expected at appraisal. Problems with cash compensation. Resettlement sites incomplete at credit closing and not all families have received agriculture lands as stipulated in the covenant.
PCR	INDIA	Subarnarekha Irrigation	C1289	08/17/82	04/30/89		✓	AGR/IRR	UNSAT	Inadequate policies, poor planning and management. Economic rehabilitation of people even more problematic than relocation due to shortages of land and lack of policies.

Report	Country	Project Name	Ln./Cr. No.	Approval Date	Closing Date	Approval Before or After OMS 2.33 Feb.80		Sector	Resettlement Results * SATisfactory UNSATsatisfactory	Comments
						Before	After			
PAR	INDIA	Orissa Irrigation II	C1397	07/07/83	03/31/88		✓	AGR/IRR	UNSAT	Inadequate preparation due to pressure to lend. Situation of tribal peoples and poor implementation not followed up with government until pen-ultimate supervision mission. No covenant to prepare re-settlement plan.
EUROPE AND CENTRAL ASIA										
PAR	TURKEY	Ceyhan Atlantas	C0360 L0883	02/13/73 02/13/73	12/31/81 12/31/81	✓		AGR/IRR	SAT	Inadequate compensation despite revisions. Also affected by high rates of inflation. Families expected to resettle themselves.
PCR	TURKEY	Karakaya	L1844	05/15/80	12/31/88		✓	POWER	SAT	Cash compensation enhanced by courts. Ten percent of families opted for resettlement, generally poorer communities members. Given agricultural lands. Twenty percent of families rebuilt villages on self-help basis.
PCR	YUGOSLAVIA	Metohija Multipurpose Water	L1360	01/11/77	12/31/84	✓		AGR/IRR	SAT	Farmers offered choice of irrigated lands or cash; accepted latter. No delays in land acquisition.
PAR	YUGOSLAVIA	Macedonia Strezvo Irrigation	L1616	08/08/78	09/30/82	✓		AGR/IRR	SAT	Project authorities sensitive to resettlement concerns.
PCR	YUGOSLAVIA	Visegrad Hydroelectric	L2527	04/30/83	12/31/90		✓	POWER	SAT	Resettlement delayed by eight months but Bank guidelines have been followed.
MIDDLE EAST AND NORTH AFRICA										
PCR	JORDAN	Tourism	C0639	06/08/76	03/31/83	✓		TOURISM	SAT	Lack of consultation with concerned Bedouin families resulted in extensive delay; costs doubled from US\$7m to US\$14m.
PAR	MOROCCO	Rharb Irrigation	L0643	10/28/69	06/30/80	✓		AGR/IRR	UNKNOWN	Project prepared in 1960s. No information on number of people relocated, although known to be small.

Report	Country	Project Name	Ln./Cr. No.	Approval Date	Closing Date	Approval Before or After OMS 2.33 Feb.80		Sector	Resettlement Results * SATIsfactory UNSATIsfactory	Comments
						Before	After			
PAR	SYRIA	Balikh Irrigation	C0469 L0975	03/19/74 03/19/74	06/30/82 12/31/84	✓		AGR/IRR	UNSAT	Satisfactory plan for resettlement, but no progress could be made due to delays in irrigation works. Farmers have since found alternative sources of employment, but revised development plan needed. Provision for bilharzia and malaria control.
PAR	TUNISIA	Sidi Salem Multipurpose	L1431	05/24/77	12/31/84	✓		AGR/IRR	SAT	Resettlement plan provided for compensation and replacement lands. Delays due to difficulties in land acquisition.
LATIN AMERICA AND THE CARIBBEAN										
PAR	BRAZIL	Sao Simao Hydroelectric	L0829	05/06/72	09/30/79	✓		POWER	SAT	Compensation and resettlement deemed satisfactory by affected families. New sites should be ready prior to payment of cash compensation.
SS	BRAZIL	Fourth Paulo Alfonso Hydroelectric Power	L1008	06/04/74	06/30/83	✓		POWER	UNSAT	Urban resettlement fairly successful, but rural resettlement was not. No resettlement strategy developed for those displaced downstream. Lessons have been learned and applied to ongoing Itaparica project.
PAR	COLOMBIA	Second Guatupe Hydroelectric	L0874	01/04/73	06/30/80	✓		POWER	UNSAT	Failure to anticipate the complexity of the problems involved. Resulted in three-year delay - which cost loss of equivalent of energy generation for an entire year, resettlement costs doubled.
PCR	GUATEMALA	Chirroy Power Project	L1605	06/29/78	12/31/89	✓		POWER	UNSAT	Resettlement program flawed from inception. Lessons: provide adequate and timely financing; acquire land/titles on a timely basis; allocate such land along kinship lines; adopt suitable house designs; locate houseplots of adequate size to permit reestablishment of a rural household economy; and replace all transportation facilities lost or disrupted.

Report	Country	Project Name	Ln./Cr. No.	Approval Date	Closing Date	Approval Before or After OMS 2.33 Feb.80		Sector	Resettlement Results * SAT/Factory UNSAT/Factory	Comments
						Before	After			
PAR	HONDURAS	El Cajon Power	C0989 L1805	03/11/80	02/28/87		✓	POWER	SAT	Resettlement plan submitted for loan effectiveness and included preventive health measures. Delays due to shortages of government funding. No Bank financing of resettlement.
				03/11/80	02/28/87					
PAR	MEXICO	Panuco Rio Sinaloa	L0969 L0970	02/19/74	06/30/82		✓	AGRI	UNSAT	Resettlement not adequately prepared, appraised and supervised. Not included in projects since to be financed from local funding.
				02/19/74	06/30/82					

* As defined by respective PCRs/PARs/IEs.

** A draft study undertaken since has shown an average income decline of 40 percent.

*** While the PCR dated June 5, 1991 noted that R&R activities had been successfully completed, all oustees resettled and the economies of the relocatees fully stabilized, ENV points out that resettlement was not very successful apart from one "demonstration" village.

**Projects Which Involved Resettlement But For Which
No Information is Available from Evaluation Reports**

Country	Project Name	Loan/Credit Number	Approval Date	Closing Date
INDIA	Kadana Irrigation	C0176	02/03/70	09/30/76
INDIA	Pochampad Irrigation	C0268	07/06/71	03/31/77
MADAGASCAR	Morondava Irrigation and Rural Dev.	C0322	06/29/72	12/31/81
CYPRUS	Paphos Irrigation	L0960	01/08/74	10/06/81
PHILIPPINES	Aurora - Penaranda Irrigation	C0472/L0984	04/30/74	12/31/80
SUDAN	Rahad Irrigation	C0364	06/28/75	12/31/82
TRINIDAD & TOBAGO	Second Highway	L1235	03/30/76	06/31/81
KOREA	Miho Watershed and Area Dev.	L1319	07/27/76	12/31/84
KOREA	Yong San Gang Irrigation (Stage II)	L1364	01/25/77	12/31/84
SRI LANKA	Mahaweli Ganga Dev. II	C0701	04/21/77	06/30/85
THAILAND	Northeast Thailand Irrigation II	L1630	11/14/78	03/31/86
ARGENTINA *	Yacyreta Hydroelectric	L1761	10/16/79	06/30/88
INDIA	Kandi Watershed and Area Dev.	L1897	07/22/80	03/31/88
MAURITANIA	Gorgol Irrigation	C1068	08/16/80	03/31/87
MALAYSIA	Rompin - Endau Area Dev.	L1957	03/19/81	06/30/88
BRAZIL	Recife Metropolitan Region Dev.	L2170	06/30/82	12/31/89

* No PCR yet.

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