

# Learning from China: Practical Steps to Improving Resettlement Performance

(Revised Final, Sept 25, 2019)

Infrastructure agencies in developing countries generally express agreement with the policy goal of international development agencies regarding involuntary resettlement. But these same agencies often voice frustration over detailed requirements of resettlement planning or unforeseen challenges that they face with resettlement implementation. They see resettlement policies as advancing ideals that are unattainable under project conditions.

A recent comparative study of resettlement experience in hydropower projects in China recounts the emergence over five decades of an effective resettlement management system.<sup>1</sup> The study shows that, with adequate commitment and resources, resettlement can be planned and implemented effectively — even in large-scale hydropower projects that can cause the largest and most complex resettlement problems. Such projects usually require creation of large reservoirs, taking the scale of land acquisition well beyond that would be required for most other infrastructure projects. And the scope of impacts is typically more severe. All land and fixed assets below the water line would be inundated, causing total losses for families and businesses, and sometimes requiring relocation of whole towns or cities. The challenges confronting resettlement practitioners are profound in organizing relocation in a manner that re-establishes livelihood opportunities as well as services and facilities, often under strikingly unfamiliar conditions.

If the complex and difficult resettlement problems found in hydropower projects can be managed effectively, then effective management should be possible in other infrastructure projects posing less demanding problems. The purpose of this briefing note is to highlight lessons drawn from the China hydropower resettlement study and suggest how they could be applicable for other countries.

Of course, resettlement policymakers and practitioners in other countries would need to adapt China's lessons to their own circumstances. Burdened with persistent and recurring problems stemming from inadequate assessment and planning for earlier projects, China's policymakers made a conscious and sustained commitment to improve resettlement management also recognizing that such problems would continue to recur in future investments. China's resettlement management system has evolved to meet the needs of a particular country context, which includes some distinct advantages. One key contributing factor in China has been recognition of the strategic importance of hydropower for economic development. China has built more than 3,300 medium- to large-scale hydropower projects, causing resettlement of more than 24 million people. Also, China's rapid and sustained economic growth increased the level of financial resources available for resettlement. In other countries, such a level of systemic commitment may be lacking where projects that result in resettlement are less frequent or less

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<sup>1</sup> See "A Review of Resettlement Management Experience in the Hydropower Sector in China," (2019 draft), China Renewable Energy Engineering Institute. Lessons from the China study are summarized by the World Bank in "A Review of Resettlement Management Experience In China Hydropower Projects: Identifying Lessons Potentially Applicable in Other Countries" (2019 draft).

significant for development strategy, or where financial constraints more severely limit the resources available for resettlement.

Despite these differences, there are lessons from the China hydropower experience that may be useful in improving both the efficiency of project processing and the effectiveness of resettlement efforts in other countries. The greatest potential for benefit would derive from construction of a resettlement management system, as in the China hydropower sector. However, many of the most valuable lessons from China's hydropower experience are also potentially relevant for project-level practitioners.

### ***Lessons for Constructing a Resettlement Management System***

The China experience suggests that the greatest benefit of a functioning resettlement management system is a major reduction in confusion and inconsistency. A systemic approach stands in marked contrast to the ad hoc resettlement practices that beset projects in other countries. Unsure of what to do or how to do it, some practitioners must devise hasty solutions to resettlement problems, often resulting in costly delays and major inconsistencies in practice. More problematic, however, these problems are likely to occur repeatedly with a lack of standards and procedures and with each project forced to repeat the same time-consuming issues. Lacking clear standards and procedures also makes it more difficult for persons affected by resettlement to plan for their future or to determine whether they are being treated fairly, which increases the likelihood of public controversy.

The China hydropower resettlement management system includes several core elements:

***Articulation of core objectives*** – Over time, the emphasis has shifted from site acquisition (with resettlement seen largely as an obstacle in the path of construction) to promoting positive development outcomes in areas in which hydropower projects were to be built.

***Laws and regulations*** – The system provides a legal framework that authorizes and requires performance.

***Technical standards*** – A set of clear and operationalizable standards, covering various important aspects of resettlement, defines how technical tasks are to be executed.

***Management arrangements*** – Roles and responsibilities are in place for siting decisions, resettlement plan approvals, implementation monitoring, approval of midcourse adaptations to implementation problems, and other stages in the resettlement process. These arrangements also ensure coordination among all agencies or jurisdictions be involved in the process.

***Community engagement*** – The system recognizes that affected persons must be actively involved in restoring lives and livelihoods. They are provided with relevant information, opportunities to participate in planning and implementation, and processes for raising complaints to project authorities.

### **Building a Foundation for a Resettlement Management System**

The China system reflects adaptation to several decades of experience. National or sectoral policymakers in other countries with an interest in developing a functional resettlement management system also will

need to engage in a longer-term process of learning and adaptation. Most of the following steps can be taken toward building a foundation for a country-specific resettlement management system.

***Building awareness to promote demand.*** As with the China hydropower experience, awareness raising may be the first step in inducing demand for systems improvement. Though the concentrated sectoral and strategic focus brought to resettlement in the China hydropower experience may be missing, and though projects involving resettlement may typically be smaller or less frequent, in the aggregate resettlement management may constitute a significant development constraint for the country as a whole. This means that the logical constituency for systems improvement may be at the ministry of either finance or national development, rather than at the sectoral level. Through workshops, promotion of research, and broadcast and social media coverage, opportunities would exist to highlight the costs directed at inefficient project development processes, the inevitable impoverishment of affected persons, and the general futility of seeking to manage recurring systemic problems on a project-by-project basis.

***Increasing the supply of trained professionals.*** To complement measures to increase the *demand* for improved resettlement management, measures to increase the *supply* of competent practitioners are also possible. Through affiliation with local universities or training institutes, a national cadre of professionals with shared understandings and technical knowledge can improve the coherence and efficiency of resettlement management.

***Clarifying responsibilities and lines of authority.*** Effective resettlement planning and implementation usually requires coordination among multiple agencies or jurisdictions. National, subnational, or sectoral planning or finance agencies can establish clear lines of authority and cooperate in creating an overarching authority structure to ensure effective coordination for resettlement operations.

***Devising standards and procedures.*** Most countries could readily improve resettlement efficiency and effectiveness by devising clear standards and procedures. In international experience, the most debilitating resettlement problems stem from confusion over what is to be done. Standards and procedures offering the most immediate and significant efficiency gains include:

- a) Site selection, assessment, and demarcation;
- b) Technical scope and methods for resettlement-related surveys;
- c) Valuation methods for all types of land, structures, trees or crops, and other fixed assets;
- d) Compensation procedures;
- e) Eligibility criteria for any forms of livelihoods or relocation assistance;
- f) Complaint-management procedures; and
- g) Arrangements for adaptive management and financial contingencies.

***Strengthening information management and community engagement.*** Country or sector officials can strengthen or clarify information disclosure practices, establish how and when affected persons can participate in planning and implementation processes, and establish functional means to raise complaints with project authorities. Such practices help affected persons to adapt to their changing circumstances, and reduce likelihood of costly delays, court challenges, or public controversies.

***Engaging with international development agencies.*** Because international resettlement policies increasingly emphasize development of domestic resettlement management capacity, international agencies generally can provide technical support — and, sometimes, financial support — for legal or regulatory reform, for training and capacity-building programs, or for other purposes. Moreover, these

activities can lead to agreement on harmonized standards and procedures, reducing the likelihood that international agencies' separate rules or procedures will be imposed.

### ***Lessons for Improving Project-Level Resettlement Performance***

While building a coherent and effective resettlement management system is a longer-term prospect for most countries, the China hydropower resettlement experience shows that there are the following shorter-term steps that can be taken to improve the effectiveness, efficiency, and consistency of resettlement performance at the project level.

***Improving identification and assessment of impacts.*** Field assessments direct attention to the presence of unregistered people or unpermitted structures, and patterns or sources of livelihoods that are not reflected in land records or maps. Practitioners providing “on the ground” assessment will supplement review of maps, site drawings, and official land documentation. Field assessments are essential to identification of particular groups or individuals who may face difficulties in adapting to changed circumstances. Even if national or sectoral guidance is insufficient, project-level practitioners can propose measures to strengthen the scope and rigor of assessment processes.

***Formulating resettlement plans that encompass all impacts and the entire cycle of activities.*** For many projects, payment of compensation basically completes the resettlement process. Just as with China hydropower, international resettlement experience shows that an approach focused solely on compensation frequently fails to address many fundamental resettlement problems associated with restoration of livelihoods, living conditions, and access to services. Advanced planning is essential in specifying when impacts will occur, and when (and in what sequence) remedial measures should be put in place. Project-level practitioners can make sure that resettlement plans include management arrangements for all relevant impacts. Where common practice may not include consideration of issues and impacts beyond compensation for assets, practitioners may want to draw higher-level officials' attention to the likelihood that unaddressed impacts could very well impose hardships on affected persons and might result in higher project costs through delays or public controversies.

***Determining survey and census methods.*** Failing to reach prior agreement on the scope and methods for surveying often leads to inadequate results. Prior agreement on survey standards makes it clear what forms of information are required (and at what level of detail), how and when the information is to be obtained, and how it is to be used in resettlement planning, budgeting, and implementation. Project practitioners can clarify survey scope and methods early in the project design process.

***Establishing methods for valuation of assets.*** One of the biggest sources of delay and controversy in project development in many countries is lack of reliable and consistent means for valuation of land, structures, crops, and other fixed assets. In the absence of national or sectoral standards or methods, project-level practitioners can convene meetings with the project sponsoring agency and local government authorities to establish valuation procedures for use under local project conditions early in the resettlement planning process.

***Clarifying compensation procedures.*** Project practitioners can make sure that resettlement plans provide compensation payment procedures that support accountability and transparency. Within the context of a specific project, for example, this may include arrangements for payment to joint household accounts, arrangements for payment to female-headed households, arrangements for tranching payment of

compensation (if necessary), and arrangements for holding compensation in escrowed accounts until ownership is determined or legal challenges are resolved.

**Strengthening management arrangements.** Often, site acquisition remains the key objective of project authorities, with resettlement arrangements seen as a necessary step in obtaining approvals. Actual resettlement implementation and effectiveness may receive relatively little attention. Project practitioners can promote more efficient project processing, as well as more effective resettlement outcomes, by ensuring that resettlement plans include clear management arrangements to address these recurring problems:

- a) **Site demarcation** — to publicly identify the project area, to notify the public that future investments or improvements to land or other assets will not be eligible for compensation, and to prevent incursion into the area designated for project use.
- b) **Disclosure of resettlement requirements and processes** so that practitioners and the public are aware of conditions that must be met, and can monitor whether they have been accomplished.
- c) **Thorough project budgeting and financial management responsibilities, including contingency arrangements** — so there is prior agreement about who pays for resettlement-related expenses and how unanticipated expenses are to be met.
- d) **Implementation monitoring arrangements** — so that potentially costly or time-consuming implementation challenges can be identified when resources are still available to deal with them. If external monitoring agents are to be employed, their services should be defined and contracted before the land acquisition process begins.

**Strengthening community engagement.** Even if national development regulations and practices do not promote strong information management and community engagement, project practitioners can ensure that appropriate arrangements are built into resettlement plans. These include establishing prior agreement regarding information to be disclosed (and how and when it will be disclosed), how and when affected individuals or communities will be consulted regarding resettlement plans and options, how affected persons can lodge complaints with project management regarding any aspect of the resettlement process, and how project management will manage responses to complaints received.

**Including arrangements for adaptive management.** Even with clear standards and strong management arrangements, resettlement rarely (if ever) goes entirely according to plan. Resettlement plans simply cannot anticipate all of the changes that may occur in local conditions, especially if resettlement implementation occurs over a long period of time. Because they are “on the ground,” project-level practitioners almost inevitably will have a role to play in identifying emerging implementation issues and in formulating responses to them. As a matter of course, practitioners should promote prior agreement on procedures for determining how such issues are to be addressed.

**Identifying opportunities to reach beyond restoration of the status quo.** It remains common practice for many projects to view the goal of resettlement as restoring the status quo. Compensation for assets is presumed to allow replacement. Services and facilities, if considered at all, are repaired or restored to their previous level of functionality. Under some circumstances — for instance, where compensation for assets will not help those affected to adapt to different sources of livelihood, or where services and

facilities are obsolete are overused — planning for restoration of the status quo makes little sense. If the project is transforming local conditions, opportunities may exist to make things better than before. For project-level practitioners, reaching beyond the status quo requires an open-minded approach to impact assessment and resettlement planning. Where transformative impacts are unavoidable, practitioners can search for development opportunities. Where development opportunities are identified as feasible, practitioners can seek to incorporate their full assessment into the resettlement planning process.

### **C. The Common Thread**

There is a common thread running through this assessment of the China hydropower resettlement experience. The common thread is commitment.

Practitioners and officials in most countries (or sectors) may lack the concentrated incentives and responsibilities that contributed to the commitment behind the hydropower resettlement management system in China. Many may see elaboration of such a fully specified management system as unnecessary or even undesirable in a context involving fewer projects, with fewer and less severe impacts. Yet, in the absence of established standards, procedures, and understandings, many of the same practitioners repeatedly find themselves confronting resettlement-related problems that cause their projects to move interminably slow or that place them in the middle of controversy.

The CREEI Report describes how development of a hydropower resettlement management system has worked for China. Of course, China has resource advantages and political advantages that contribute to system effectiveness. It remains up to practitioners and officials in other countries (or sectors) to decide how to chart their own specific course forward, appropriate to their own circumstances and constraints. Through its review of China's experience, the CREEI Report offers officials and practitioners elsewhere with a wide range of potentially applicable possibilities that deserve their consideration.