Addressing Communication Challenges on Government-led Resettlement Projects

IAIA26
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Infrastructure Project Finance Perspective

- Sovereign loans = Government-led Resettlement

- What guidance is available:
  - IFC / EBRD / WB / ADB /etc: provide general expectations with limited guidance (private sector responsibilities under government-led resettlement)
  - IFC Resettlement Handbook: includes Government-Led Resettlement as a *"specific circumstance"*
  - Books / papers / DFI guidance notes, etc

- General statements with "*the client should …*"

- How can projects realistically close gaps and who pays?

- **Note: government departments often do not understand what they have signed up to**

Stakeholder Engagement and Grievance Management

Stakeholder Engagement

Regular and ongoing stakeholder engagement with a wide range of stakeholders is critical for resettlement planning and implementation.

Grievance Management

A grievance mechanism enables stakeholders to report any complaints or concerns they may have about the resettlement process.

Both stakeholder engagement and the grievance mechanism need to be accessible and cultural appropriate.

Vulnerable groups are often difficult to engage with for various reasons. Special measures and additional time is required to meaningfully engage with these stakeholders, including through targeted consultations.

Resettlement Reality

Resettlement will cost you a lot more than you think …
it will take longer than you think and
… something can always go wrong!

But who pays?

How can we improve outcomes?

1. Early Alignment on Roles
2. Tailored Communication
3. Managing Compliance Expectations
4. Controlling the Narrative
5. Integration of Grievance Mechanism

1. Early Alignment on Roles

- Do the borrower and the buyer (relevant Ministries) understand the commitments made in the Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP)?

- How are governments made aware of gaps between statutory processes and RAP / LRP commitments and requirements?

- Do all stakeholders understand their roles?

- Are the right people speaking to the right people – governments are typically hierarchical.

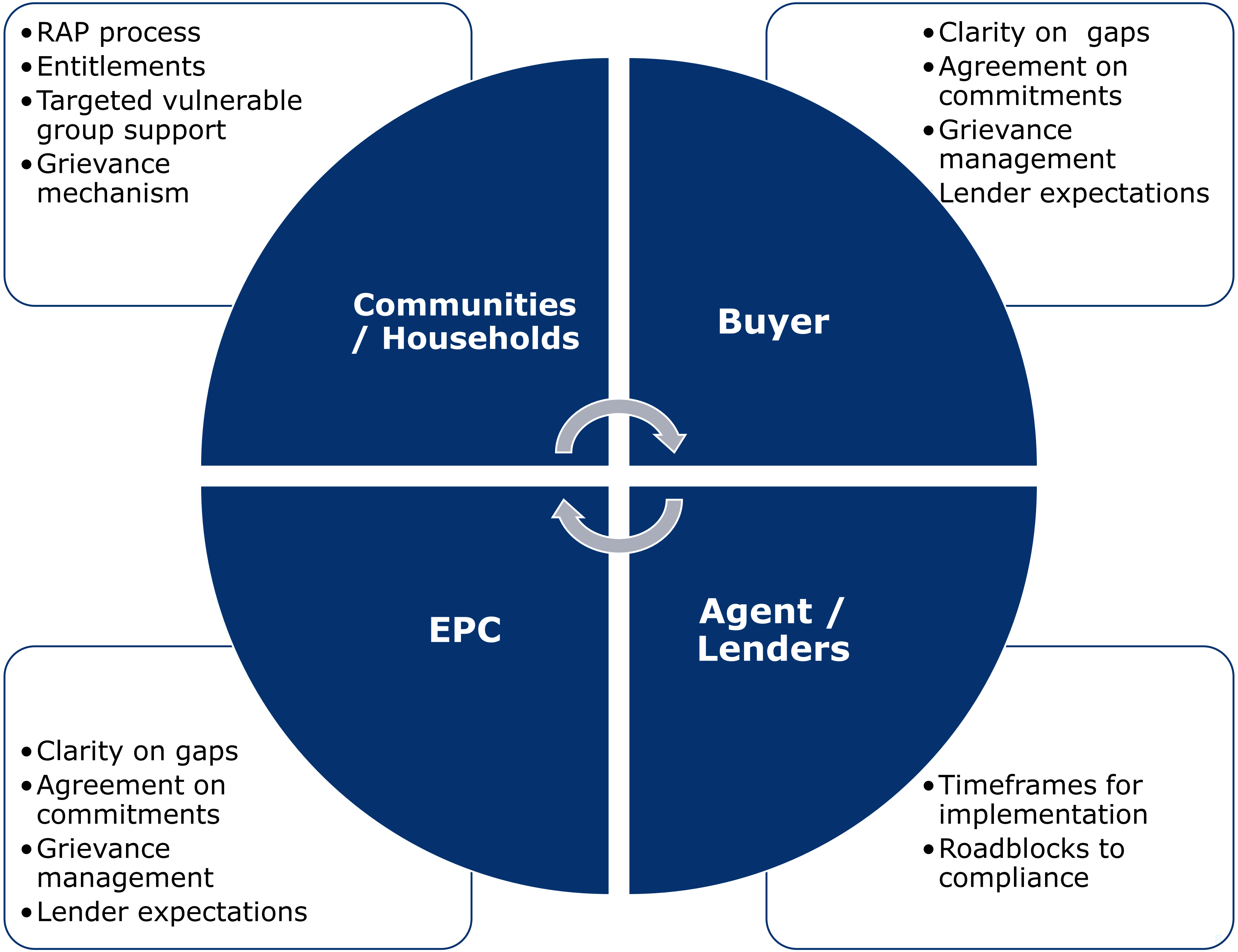
- It is often assumed that livelihood restoration is the responsibility of the EPC – have they budgeted, are they contracted to do this, and if not, is there a mechanism?

- Who is responsible for engaging with affected communities and households and how will this be coordinated?

Cameroun: Road Upgrade Project

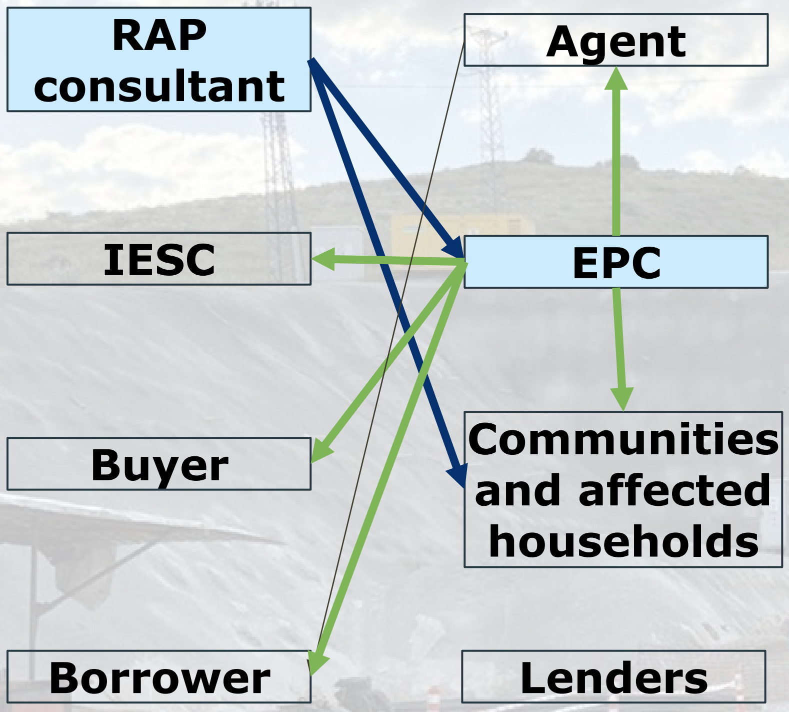
- Ministry of Finance (Borrower); Ministry of Public Works (Buyer); Ministry of State Property, Surveys and Land Tenure - MINDCAF (surveys); Governor (assets and evaluation committee).
- It was important to meet with MINDCAF and Ministry of Public Works.
- Meetings with Directors and Minister – not junior or local officials.
- Agreement made on how top-up compensation payments would be made (particularly related to depreciation on physical properties and inflationary adjustments on crops) and support for informal users.
- Agreement with EPC was challenging as there was no contractual requirement to cover Livelihood Restoration costs, therefore a key part of the discussion.
- Local engagement was to be managed by the EPC in coordination with the Ministry of Transport on resettlement and compensation with one grievance register maintained.

2. Tailored Communications

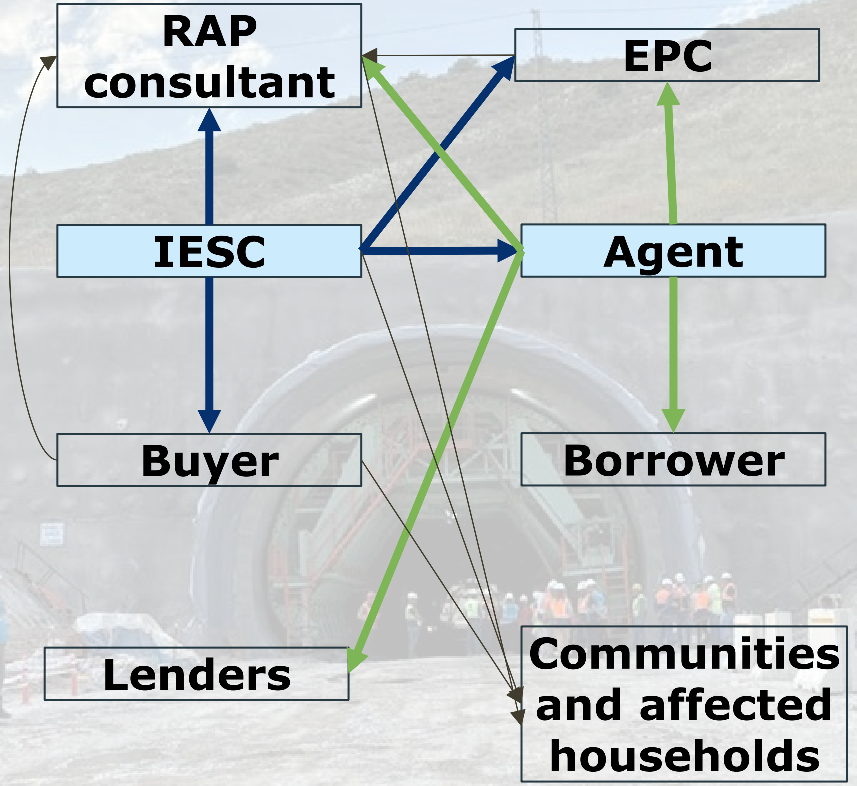


Who Leads Engagement: Türkiye Project Example

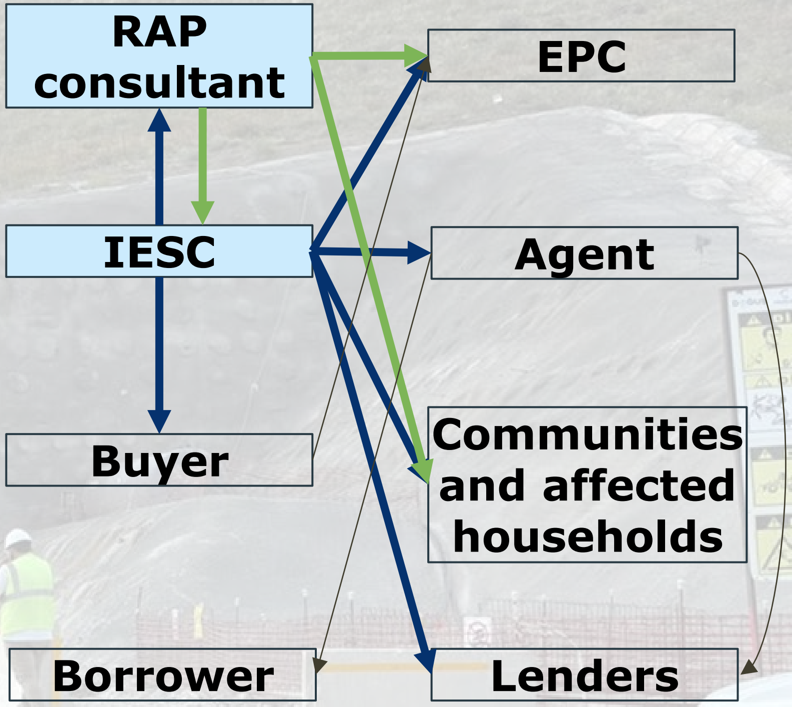
Planning Phase



Pre-Construction and DD



Monitoring



3. Managing Expectations for Compliance: Linear Project - Egypt

- If done well, engagement will raise various issues and challenges.
- In Egypt, surveys are conducted by the Egyptian Surveys Authority.
- Project being managed by a separate Ministry (buyer).
- Lenders expect that the buyer reports on survey progress and scale of impact.
- Legally, Ministry cannot interfere with Egyptian Surveys Authority, therefore information on scale of impact is limited.
- Risk that the IESC incorporates requirements in an Environmental and Social Action Plan (ESAP) that cannot be not be met based on assumptions regarding the resettlement planning process.
- Targeted engagement with the Ministry and Lender Agent prior to Loan Signing identified this issue so a solution could be found and can be monitored more effectively.

4. Controlling the Narrative: Uganda Project

- **Ministry of Finance, Planning and Economic Development (borrower)**
- **Office of Chief Government Valuer (surveys)**
- **Ministry of Works and Transport (buyer)**
- **Joint Verification Committee (implementer)**
- ***President's Office***
- **EPC**
- **RAP Consultant**
- **IESC**

- Majority of impacted land users are informal settlers.
- RAP consultant identified entitlements including individual losses and community losses, which were agreed with the Office of Chief Government Valuer.
- Joint Verification Committee agreed implementation approach with Ministry of Works and Transport and EPC.
- President's Office made additional promises in addition to agreed entitlements.
- Impacted households and communities would only accept the more advantageous offer made by the President and ignored all previous engagement by other government actors, the RAP consultant and EPC.
- The project is still trying to address grievances associated with the unmet expectations due to loss of narrative.

5. Integration of Grievance

- Grievance management can be complex on a sovereign loan with government-led resettlement; and it can be confusing for local communities and impacted households.
- There may be 3 different overlapping grievance processes:
  - RAP / ESIA consultant during the planning phase
  - EPC during planning / mobilisation / construction phases
  - Buyer / Borrower
  - EPC / RAP Consultant and government need to align:
    - In Ghana the Ghana Rail Development Authority CLO team worked in partnership with the EPC CLO team and maintained a joint grievance register
  - Often, a government’s formal grievance mechanism cannot link with the EPC grievance mechanism:
    - In Türkiye, the government will follow up with the EPC on any grievance received
  - Can be tricky for IESC / Agent / Lenders to have full visibility on extent of grievance between the two systems.

Final Thoughts

- The engagement process can be time consuming and comes with cost.
- Capacity needs to be built withing government agencies and EPCs / developers to implement resettlement, but who pays for this:
  - Capacity is one of the key underlying causes of non-compliance with Applicable Standards.
- It is not always clear how non-statutory processes such as livelihood restoration, informal user entitlements, close out audits, basic tasks (such as opening bank accounts) can be implemented throughout the resettlement process.
- RAP implementation can take several years on a linear project – and livelihood restoration will take longer.
- An honest conversation is necessary pre-loan signing to ensure all parties are clear on the additional cost associated with implementing resettlement – or at the very least, a discussion on mechanisms and protocols to facilitate the process.
  - Due to pressures on governments for development projects, both governments and contractors are eager to reach Financial Close to have the funds to begin construction.

There is no magic bullet – but remain aware of the stakeholder landscape on a sovereign loan

Let’s continue the conversation!

Message me your questions or comments in the IAIA26 app.

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