
V. Analysis of RETA Findings

A. Risk Reconstruction Model (RRM)

RRM identifies eight risks as being largely responsible for causing economic and social impacts on affected people. Despite growing evidence that these risks are present in projects, not all aspects of this model can be traced into the involuntary resettlement policies of donor agencies (ADB and the World Bank). The model has not been comprehensively used in resettlement planning and implementation.

These eight risks can be placed into two groups: *economic risks* and *social risks*. Landlessness, joblessness, homelessness, and food insecurity would fall under economic risks, and the other four under social risks. In practice, however, these economic risks are not always absolute in the sense that APs get no land, no jobs, and no homes; and suffer from absolute lack of food. Inadequate compensation and resettlement assistance (land given as compensation, employment opportunities, quality of housing, and income restoration strategies) cause relative impoverishment. Projects provide ample evidence of this.

Essentially, RRM does not address all causes of poor resettlement. Displacement adversely affects people in three ways: (i) livelihoods, (ii) shelter, and (iii) social and community integrity. This is a direct result of poor allocation of resources (management and financial) for resettlement planning and implementation. Official level commitment to ensuring that these resources are made available can only occur if national legislation and policies are clear on this issue. That will require political commitment at the highest level.

B. Additional Resettlement Risks

The empirical data from projects show that the following two broad categories of risks also deserve serious attention:

1. Legal and Policy Risks

- (i) Absent or weak political commitment, absent or inadequate legislative framework (incompatible with donor policies), absent or weak official commitment to address involuntary resettlement.

2. Organizational and Management Risks

- (i) Insufficient resources (financial and human)
- (ii) Weak capacity of EAs
- (iii) Poor resettlement planning
- (iv) Poor implementation, monitoring, and evaluation with no mechanisms for follow through.

Many resettlement issues identified in this RETA can be attributed to the absence of an adequate legislative and policy framework, which in turn is often the cause of the second set of risks (organizational and management). ADB has been working continuously with DMCs since 1998 to try and improve national policy frameworks for involuntary resettlement but success has been mixed. In only two countries was ADB instrumental in getting a clearly stated policy approved by government (Sri Lanka and the Lao People's Democratic Republic [PDR]). Follow-up progress in introducing necessary legislation has been slow. This is due to weak commitment at the political level. The Lao PDR and Viet Nam have also adopted lesser policy instruments. Commitment supported by essential legal and organizational frameworks is a key step to improving the livelihoods of affected people.

C. ADB Experience with Impoverishment Risks

Table 1 summarizes the incidence of risks in recent ADB projects using RRM categories. The research work

Table 1: Impoverishment Risks

Impoverishment Risks – as per RRM	Project Experience
A. Economic Risks	
Landlessness	In many projects, the severity of impact on incomes due to land acquisition is not well identified. Farming provides livelihood benefits that are inadequately captured in surveys. The PRC reports make this point very strongly. Often there is no control over quantity and quality of replacement land. Smaller, unsuitable plots are often given as compensation. Absolute “landlessness” is not the only issue; impoverishment often results from small, unsuitable, uneconomic plots being given as compensation. In the PRC, impacts are wider when “land readjustment” is done affecting host populations as well. Both in the PRC and India, land is generally scarce; hence, any attempt to provide replacement land is fraught with challenges. Locally available agronomic expertise is rarely co-opted for this work by resettlement planners.
Joblessness	Although identified in general terms, the quality of the data is often poor to adequately characterize employment losses and to develop appropriate strategies. The financial and human resources budgeted in the RP are inadequate. Assessment of self-employment and business incomes is weak and therefore compensation is poor, e.g., India–NHAI highways and the PRC projects. This again is not just a question of total “joblessness”. There are often degrees of impact—unsustainable jobs, job training not suited to needs, low skills among rural people that make them unemployable in urban settings. Support is lacking for unemployed APs after civil works are completed as documented in the PRC and Indian case studies. Responsibility for job creation and training are not clearly assigned, nor are they addressed from the outset.
Homelessness	Planning standards to adequately measure and value replacement of homes and structures is weak. Compensation is often insufficient to replace homes. Housing provided by government is generally poorly located and planned, and lack infrastructure. Where cash is paid, insufficient compensation can result in homes that are worse. Those opting to self-relocate lack the know-how to buy a plot, design a home, purchase appropriate materials, and hire qualified builders. Again this is not just a question of absolute “homelessness” but shows there are different degrees of this risk.
Food Insecurity	The surveys and RPs prepared on the basis of those data do not adequately address the risk of food insecurity in most projects. Monitoring reports do not effectively capture the incidence of this risk. This is a poverty issue and needs greater focus in resettlement planning and implementation. An example where an analysis was carried out to identify strategies to ensure food security was the Nam Theun 2 project in the Lao PDR. In the PRC projects where the smaller and/or poor quality plots may have been given as compensation, APs may not be able to produce enough food and may lack opportunities for off-farm employment.
B. Social Risks	
Marginalization	There are many instances where consultation has been inadequate or even absent. Efforts made to support social organization have not been promising (Cambodia Highway Project). Monitoring is weak and even where they are good, no follow-up action is taken. APs are rarely given the opportunity to approve RPs.
Morbidity / Mortality	Common especially in irrigation projects where water-borne diseases occur. Malaria, intestinal parasites, poor quality of drinking water, difficulty of access to health services have all occurred in projects. Health issues are not adequately addressed in RPs.
Access to CPRs	The weakness starts with the poor understanding of the role of CPRs, which then leads to inadequate planning of strategies, to provide appropriate responses. Communities are usually unable to provide leadership in this area.
Social Disarticulation	Common in projects where groups of people are dispersed to different areas during resettlement, thereby breaking traditional family and social links and support systems. This often happens in rural areas where replacement land is scarce.

ADB = Asian Development Bank, AP = affected person, CPR = common property resource, Lao PDR = Lao People’s Democratic Republic, NHAI = National Highways Authority of India, PRC = People’s Republic of China, RP = resettlement plan, RRM = risks and reconstruction model.

Source: Sam Pillai. Analysis of RETA 6091 Findings in Cambodia, India, and People’s Republic of China. 2005.

carried out for this RETA has demonstrated the presence of the four economic risks to varying degrees in projects. The quality of livelihoods after resettlement is largely a function of income, derived from farming, paid employment, or self-employment. Thus, productive replacement land, sustainable employment, and opportunities for engaging in business are vital to successful resettlement. In their absence, food insecurity becomes a real possibility. Failure to compensate for assets at replacement value can be a major factor causing economic impoverishment, including poor housing and services.

Whereas ADB policy and guidelines are generally adequate as far as the economic risks are concerned, it is in planning and implementation that improvements are needed. Although RPs generally meet the terms of reference, they are generally deficient in specific measures to address these risks. In particular, potential risks inherent in the measures proposed for livelihood restoration, especially their viability and sustainability, receive inadequate attention. Moreover, adequate resources are not allocated for this purpose and feedback received through monitoring and evaluation is not effectively used to take necessary corrective action. Poverty analysis is now a requirement in project planning; however, this should extend to an analysis of the potential risk of food insecurity and poverty that can arise due to resettlement.

The case studies for this RETA have not been able to identify specific instances of the four social risks but there is empirical evidence from a number of countries where each of these risks has been noted.

D. ADB Resettlement Policy and RRM Risks

ADB's policy adequately covers landlessness and joblessness. While the policy makes provision for ensuring adequate replacement housing, the timely delivery of relocation plots deserves emphasis, as it is often a major cause of project delays. Although the policy makes no special mention of food security, ADB's Operation Manual Section F2 (for use by ADB staff) requires poverty analysis as part of the resettlement planning process. Provision for addressing social disarticulation is implied in the overall policy objective; however, guidelines may have to be improved to include methods for doing this analysis. ADB policy has no provision for dealing with morbidity/mortality and CPRs. Its procedures refer to CPRs, but guidelines may have to be improved to expand on this.

E. The RRM Model vis-à-vis ADB and World Bank Policy Requirements for Resettlement Planning

Table 2 compares ADB's and the World Bank's resettlement policies as they relate to RRM risks. Both ADB and the World Bank policies are seen to need improvement to address food insecurity and CPRs. Additionally, ADB could improve policy on morbidity/mortality and social disarticulation.

F. Adequacy of ADB Policy to Address Legal / Policy Risks and Organizational/ Management Risks

Table 3 reviews the ADB's current position in relation to the additional resettlement risks identified above. Commitment at the highest level, appropriate legislation, and committed EAs supported by adequate financial and human resources are essential requirements to ensure that involuntary resettlement is successfully planned and implemented. ADB recognizes this and has been assisting DMCs improve their policy frameworks. A renewed effort is required in this important area. A gap between ADB's resettlement policy and the legislative provisions for land acquisition and compensation in DMCs exists and this continues to be a major challenge for project planning and implementation. Nonetheless, the efforts that are being made both at the national and the donor levels do show a reduction in the policy gap over the last 10 years. The weaknesses in resource allocation, staff deployment, resettlement planning, and implementation can be addressed if DMC governments take steps to improve the legislative framework.

G. Conclusions

Risk management in involuntary resettlement starts with good responsive policies and effective planning guidelines. This RETA has looked at two classes of risks. The incidence of RRM risks has been discussed and suggestions have been made to adapt ADB resettlement policy and guidelines to reflect this model more effectively.

However, the study shows that the eight RRM risks are not comprehensive. Five additional risks that are also important and need to be managed have been suggested.

Table 2: ADB and World Bank Policy Coverage of RRM Risks

RRM Risk	ADB Policy	World Bank Policy
Landlessness	√	√
Joblessness	√	√
Homelessness	√	√
Food Insecurity	Policy does not cover.	Policy does not cover.
Marginalization	√	√
Morbidity/Mortality	Policy does not cover.	√
CPRs	Policy does not cover.	OP 4.12 requires description of CPR and provision of alternative or similar resources to compensate for the loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder).
Social Disarticulation	Policy covers but needs better focus. Policy requires initial screening to identify presence of indigenous people and address this separately during resettlement planning. OM section F3 covers indigenous people.	Policy states that resettlement should be compatible with cultural preferences of the displaced persons. OP 4.10 covers indigenous people.

ADB = Asian Development Bank, CPR = common property resources, OM = Operations Manual, OP = Operational Policy, RRM = risks and reconstruction model.
Source: Analysis prepared by Sam Pillai based on Michael M. Cernea's The Risks and Reconstruction Model for Resettling Displaced Populations in *World Development*, 25 (10), 1997.

Table 3: Additional Impoverishment Risks vis-à-vis ADB Policy — Analysis and Conclusions

Impoverishment Risks	ADB Strategy / Policy	Conclusions	ADB Resettlement Planning Requirements	Conclusions
Absent/weak political, legislative, and official commitment	ADB recognizes that DMCs need a legislative framework conducive to successful involuntary resettlement. From 1998, it has been supporting DMCs' efforts to develop and adopt involuntary resettlement policy.	Results of efforts to encourage DMCs formulate policy have been somewhat encouraging. A review of work done so far and a renewed strategy would be useful.	RPs are required to identify gaps in policy and legislation that do not meet ADB's policy requirements and propose strategies to bridge the gaps.	Dialogue at the top policy-making level may be required to ensure that conflicts between national policies and ADB policy do not impede development.
Insufficient financial and human resources	ADB provides technical assistance to prepare RPs but country resources are often insufficient in both financial and (competent) human resource terms. Compensation has to be paid out of government resources.	Decisions are needed at the government level to give higher priority in allocating funds and to training and retaining professionals for resettlement work.	Technical assistance and specialist guidance are provided by ADB during resettlement planning.	National budgets are often under pressure and cannot meet project schedules for payment of compensation. Limited budget also results in lower compensation. Most EAs do not have career paths for social and environmental specialists.
Weak EAs capacity	ADB assists EAs strengthen capacity.	Assistance is given on a project-by-project basis and there is no continuity.	ADB requires DMCs to provide adequate staffing and resources for resettlement.	EAs that undertake infrastructure projects where resettlement is significant rarely have the required capacity to plan and implement resettlement.
Poor resettlement planning	ADB supports planning efforts. Usually EAs use consultants to prepare RPs. Again, no institutional capacity is built to ensure that improvements in planning ability are achieved.	Poor resettlement planning results in inadequate attention being paid to analyzing impoverishment risks as evident in the country reports.	ADB closely supervises and reviews resettlement planning for projects.	Resettlement planning capacity, especially in DMCs with significant resettlement, can be strengthened.
Poor implementation, monitoring, evaluation, and follow-through	ADB assists DMCs through technical assistance.	EAs rarely develop and retain institutional capacity on a sustainable basis.	ADB project supervision missions are required to monitor and follow-up.	Follow-up supervision of resettlement implementation by ADB may have to be strengthened.

ADB = Asian Development Bank, DMC = developing member country, EA = executing agency, RP = resettlement plan.

Source: Analysis prepared by Sam Pillai based on Michael M. Cernea's *The Risks and Reconstruction Model for Resettling Displaced Populations in World Development*.

25 (10), 1997.