

# Module I

## **Social Assessment and Risk Analysis in Development Investment Projects**



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## Introductory Note

**T**he opening lecture of the training course places the risk analysis for resettlement management in the broader context of the Asian Development Bank's (ADB) effort to promote the social assessment (SA) methodology for development projects in developing member countries (DMCs). Social risk analysis is explained as part of SA.

While the identification of risks is a general component of SAs, social risk analysis gains particular prominence in projects that cause resettlement because of the “out of the ordinary” process of displacement absent in most other development projects. Yet development-caused forced displacement and resettlement (DFDR) must be defined from the beginning not as an anomaly external to development, nor as an accident or occasional error, but rather as an inevitable necessity in certain singular situations where development cannot avoid a change in existing patterns of land use, water use, human habitat, and population distribution in the territory. The implication is that DFDR needs to be treated as companion of development, undesirable, but still a

process that occurs with certain regularity, particularly in infrastructure projects, water resource projects, urban development, and other project categories.

This makes it essential to develop the social design for resettling people in ways that will prevent, reduce, and mitigate its risks to the livelihood of those affected and will include, not exclude them, in development's stream of benefits.

To describe “how to think” about SA, the module presents a concisely constructed model which, in only three PowerPoint slides, captures the essence of what SA is and what it does. The model responds to key questions, such as “What is to be done in SA?”, “Who is doing the SA?”, “When is SA to be done?”, and “Which should be the products of SA?” to be delivered and incorporated in the project.

The process of SA is explained as three sets of key “tasks” of the social specialist during SA, and three corresponding set of “products” resulting from these tasks. Certainly, the manuals devoted to SA as main topic contain much more detailed descriptions, but the lecture attempts to supply a concise and elegant mini-matrix for SA, as a premise and context for the subsequent

presentation of the model and specific methods for social risks analysis and management in resettlement.

The transition to risk analysis is made by outlining four types of adverse social impacts in development projects and involving proactively the audience to name other adverse impacts that they have encountered or experienced. The goal is to elicit an engaging discussion and open-mindedness about identifying intrinsic risks, adverse impacts, and the need for solutions.

The relations between “risks,” a concept increasingly used recently, and “impacts,” a more traditional concept, are further explained, together with the need for both retrospective and prospective analyses to link the perception of potential risks to the analysis of past experiences. This leads into the synoptic presentation of a “critical path” for social risk analysis and management.

The outline of the critical path is presented in the last part of the opening module/lecture as a window into

the following sequence of lectures. It condenses into one slide:

- First (look horizontally), the succession of steps from establishing the project context within which DFDR risk management is necessary to the last sequence of counter-risk actions and corrections;
- Second (look vertically), it conveys the idea that each step should be bracketed between cooperative efforts of project managers and project-affected populations, oriented to risk “identification, consultations, communication, actions, and monitoring.”

These ideas will guide us further in the detailed explorations to which the following modules/lectures are dedicated.

# Lecture I

## **Social Assessment and Risks Analysis in Development Investment Projects**

### *Opening Lecture*

## Lecture I: Main Themes

- Why development projects need a *social* design
- Social design is produced through “social assessments” (SA): the “who,” “what,” and “when” of SA
- The role of the social specialist in project preparation: tasks and products
- Social benefits of adverse impacts
- Risks identification and analysis is part of SA
- Planning of counter-risk measures into design of projects

## Social Design of Development Projects

- Social design is necessary in each development investment project, complementing technical, economic, and environmental design of projects
- The professional work for producing the project's social design must follow a clear methodology, with specific tools
- Social Assessment (SA) is a tool for crafting the social design
- Social Risk Analysis is part of SA
- Development-caused forced displacement and resettlement (DFDR):  
Is it an anomaly? A social pathology? Frequent or infrequent process?  
Avoidable always? Unavoidable sometimes? Necessary or Un-necessary?
- DFDR requires detailed project social design and risk analysis:  
Resettlement is often more complex than the technical engineering of projects

# Synoptic View 1

## How to Think about Social Assessment?

### CONCISE MODEL FOR SOCIAL ASSESSMENT (SA) WORK

#### 1. Who is doing SA?

- The role of the Social Analyst

#### 2. What is to be done in SA?

- SA has different tasks in each key stage of project cycle (see graphs Questions to/Answer from SA)

#### 3. When is SA to be done?

Continuously, its main stages and elements are

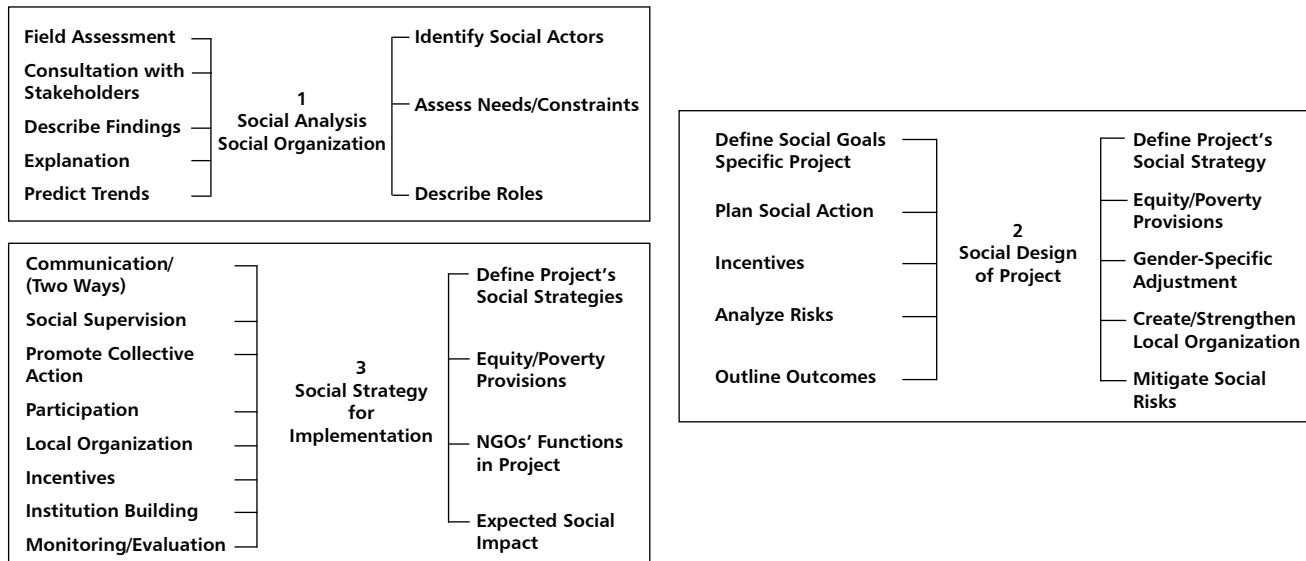
- Study of project area populations and social preparation of project
- Social design for project pre-appraisal and appraisal
- Social strategy for implementation

#### 4. Which are the products of SA?

- Results/Products of SA are different in each stage (see graphs)

# Synoptic View 2 SA for Investment Projects

## ROLE OF SOCIAL SPECIALIST



## Detailed Discussion (1)

# SA: Social Preparation: Analysis for Project

### TASKS

OF SOCIAL ANALYST

Field assessment of populations

Consultation with stakeholders

Describe findings

Explanation

Predict trends, actors

1  
Social Analysis  
Social Organization

### PRODUCTS

OF SOCIAL ANALYST

Define all social groups involved/affected by project

Assess/describe their needs/constraints

Describe/explain roles and contributions of all social actors

## Detailed Discussion (2)

# SA: The Social Design of Projects

### TASKS OF SOCIAL ANALYST

- Define social goals of project
- Plan social action
- Incorporate incentives in project design
- Analyze risks to area population
- Outline anticipated outcomes

## 2 Social Design of Projects

### PRODUCTS OF SOCIAL ANALYST

- Outline/Design social components
- Poverty reduction provisions
- Gender-specific adjustments
- Provisions to create/strengthen local organization
- Mitigate with counter-risk measures

## Detailed Discussion (3)

# SA: Social Strategy for Implementing Projects

### TASKS OF SOCIAL ANALYST

- Communication/  
(Two Ways)
- Do Social Supervision
- Collective Action
- Participation
- Local Organizations
- Incentives
- Institution Building
- Monitoring/Evaluation

3  
Social Strategy for  
Implementation

### PRODUCTS OF SOCIAL ANALYST

- Define Project's  
Social Strategy
- Foster Equity/Poverty  
Reduction
- NGOs' Functions in Project
- Social Impact

## Why the “SOCIAL” is CENTRAL in Development Projects?

TODAY, social impacts ARE THE CENTRAL question in

- Defining development policies for projects
- Economic growth due to projects (who benefits?)
- Poverty reduction
- Sustainable development (post-project)

Social Benefits = GOAL of development

Never forget that dams, mines, factories, hospitals = are only means.

Social impacts are also a POLITICAL issue, not just a “technical” problem

## Which are the Main Classes of Adverse Social Impacts in Projects ? Example: The Hydropower Sector

1. Forced displacements (including impoverishment risks)
2. Boomtowns (uncontrolled immigration, with negative social impacts, crime, HIV, etc.)
3. Downstream adverse changes in agro-production systems
4. Loss of submerged cultural heritage assets
5. *Question for class discussion:* Can you name other adverse impacts of hydropower projects?
  - Need to distinguish between general/main classes of risks/adverse impacts and location-specific impacts/risks: the latter may range broadly (discuss examples)

## **Risks versus Impacts: Both are Parts of Social Assessment**

- Retrospective and prospective analyses: Learn from the past, to prepare for recurrent risks in the future
- The need for anticipatory (prospective) estimate of risks and likely adverse impacts is the first step of risk analysis
- What are the data sources for each?
- Incorporate the assessments of social impacts, and risk analyses, early on into the write-up and “social design” of projects
- Early risk analysis helps for (i) risk identification upstream during project preparation; (ii) planning counter-risk measures

