Improving involuntary resettlement practices by International Financial Institutions in conflict areas

Conflict Sensitivity, Involuntary Resettlement and Land Issues

Partner: European Investment Bank

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Project Summary

- October 2015 - April 2016
- **Topic:** Involuntary resettlement (investment-induced), conflict context, land policies
- **Student team** (6 students)
- **EIB partner:** Sladjana Cosic
- **Sciences Po** Project Collectif Equipe; Environment, Climate and Social Office (ECSO)
Research Questions I

● What is conflict sensitivity?

“The ability to be aware of the context in which one operates; understand the interaction between one’s intervention and the context [...] and act upon the awareness and understanding of this interaction, in order to avoid or mitigate negative impacts (‘do no harm’) and maximize positive impacts (‘do good’) of the project interventions”

➔ How does conflict affect involuntary resettlement?
➔ How can IFIs ensure that their actions do not exacerbate the conflict?
➔ How can IFIs improve their involuntary resettlement standards in conflict situations?
Research Questions II

- **Why is it important?**
  - Conflict can jeopardize an investment.
  - Local communities might end up worse off than before.
  - Project objectives might be undermined.
  - Local perceptions of multilateral development institutions could be adversely affected.

- **What is our contribution eventually?**
  - Recommendations to improve involuntary resettlement practices by IFIs in conflict areas.
Research Design

- **Method**
  - Desk study, literature review, interviews and legal analysis, team meetings

- **Sample**
  - **Cases**: different stages of violent conflict
  - **Conflict sensitivity approaches**: IFIs, public, private and NGOs (globally)

- **Sources**
  - **IFI Documentation**: Guidelines, resettlement plans and frameworks
  - **Background**: Newspapers, NGO reports, academic literature
  - **Interviews** with experts
  - **Primary Legal Sources**: International Legislation, National Laws
  - **Secondary Legal Sources**: IFI/NGO reports/analysis
Limitations and Challenges

- Lack of information by IFIs on projects financed by IFIs.
- The nexus of conflict sensitivity, and involuntary resettlement is under-researched.
- IFI staff did not speak very openly about challenges faced in certain projects.
- Lack of available project progress reports.
DRC - Case Studies

Ruzizi III Hydropower Project

Tenke Fungurume Mining

Grand Inga Dam Project
DRC

● Context
  ○ Differing levels of conflict intensity
  ○ Colonial legacy of land tenure
  ○ Engagement of heterogenous political economies

● Gaps with IFI Standards
  ○ Informal Land Rights
    ■ Compensation
    ■ Gender
    ■ Property Rights
  ○ Communication
    ■ Lack of timely, relevant information
    ■ Grievance redress mechanisms

● Main Findings
  ○ Lack of communication about changes in project completion
  ○ The resettlement of public goods can pose challenges
  ○ Local perceptions of previous projects are important
Myanmar - Case Studies

Asian Development Bank:
- Myingan Natural Gas Power,
- Thida-Thaketa Transmission Line,
- Maubin Papyon Road Rehabilitation

Private Sector:
- Myitsone Ayeyarwady (Irrawaddi) River Dam
Myanmar

- **Context**
  - Ongoing conflict
  - Political transition
  - Recent economic opening, EIB framework agreement (2015)

- **Gaps with IFI standards**
  - Some of the most basic issues are not even explicitly mentioned
  - Lack of detail and standard of compensation

- **Main Findings**
  - Ethnicized conflict, subnational variation
  - Minority rights, conflict-related displacement
  - “Vicious circle” of underdevelopment and conflict
  - Legal findings
    - Limited protection to land right. Privately ownership of land not allowed and special groups’ rights are ignored
    - Enforcement of the articles is weak
Ukraine - Case studies

- Railway Modernization Project (World Bank, EIB)
- Mironivsky Khliboprodukt (MHP) poultry farm in Vinnytsia (IFC)
Ukraine

- **Context**
  - Profitable agricultural sector
  - Conflict since 2014, fighting in the east of the country
  - Land tenure system: land distribution after fall of Soviet Union, moratorium on the sale of agricultural land

- **Gaps with IFI standards**
  - No mandatory public consultations
  - Extent of compensation

- **Main findings**
  - High investment risks in the East
  - IDPs and double resettlement
  - Respect of involuntary resettlement standards by partner
  - Conflict sensitive choice of partner
Key findings

- IFIs should pay more attention to local contexts
- IFI standards can be compromised by PPPs
- Grievance Redress Mechanisms are important to conflict-sensitive approaches
- Lack of transparency in project implementation timelines, and social impact assessments
- Gender-sensitivity can be compromised in the context of patriarchal land administrations
- Adequacy of compensation differs depending on local context
1. Country Reports
2. Sectoral Approaches
3. Policy Brief
Policy recommendations I

1. Improve conflict and context analysis.
2. Take into account the different stages of conflict.
3. Enhance analysis of land tenure systems.
4. Focus on rebuilding, and if possible improving livelihoods.
5. Avoid displacement of already displaced populations, vulnerable and especially conflict-affected groups.
6. Devote particular attention to the gender-based dimension of land issues.
Policy recommendations II

7. Better take into account the needs of affected people to ensure adequate compensation.
8. Choose partners better
9. Involve private sector, civil society and public sector in impact analysis.
10. Build up expertise.
11. Avoid relying fully on local partners to ensure that IFI involuntary resettlement standards are applied.
12. Strengthen efforts not only “not to harm” but also to do good.
Conclusions

● What did we personally learn from the project?
● **Key Concerns**
  ○ External validity, generalizability in the context of complex local dynamics
● **Further Research**
  ○ Deepening of knowledge on conflict sensitivity and resettlement in sectors: *sectoral analysis*
  ○ Gaining a more causal understanding of the interaction of projects and conflict dynamics: *impact evaluations*
  ○ Gaining a better understanding about IFI transparency