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Assessing Options, Decision-making and Planning Processes

Oxfam Hong Kong Experience

In Vietnam, Oxfam Hong Kong's experience in dams has centred on:

- Learning from regional experience of the impact of dams on livelihoods and development;
- Supporting research and advocacy around Mekong River Basin social and natural resource management issues;
- Strengthening the role of local people in planning and decision-making processes; and
- Constructing and evaluating the environmental and social impact of small-scale dams.

Focus of Paper

This brief paper focuses on Oxfam Hong Kong/Vietnam's experience related to two of the four themes highlighted in the call for submissions, namely:

- Assessing options; and
- Decision-making and planning processes.

The paper does not review well-documented aspects of the impacts of dam construction. These should be well-covered by other submissions, particularly in relation to impacts on wildlife/biodiversity and water resources.

Rather, the paper aims to make a practical contribution to the WCD hearing based on Oxfam's experience of working alongside local planners and communities in Vietnam. Many of Oxfam's insights relate to indirect, and often rather subtle, social impacts, and we argue that these need to be carefully considered during the assessment of options, and subsequently during the planning and operation of dams.

Considering Alternatives to Dams in Vietnam

Dams can provide an important means of meeting Vietnam's rising demand for power. Dams also have an important role to play in supplying water for irrigated agriculture and domestic and industrial consumption. Oxfam argues, however, that these roles should be examined in light of costs and of possible alternatives.

In relation to hydropower, Vietnam is currently assessing options for hydropower generation throughout the country: technical, financial, social and environmental criteria are being used to evaluate potential options. Oxfam Hong Kong strongly

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supports careful analysis of: (a) whether hydropower offers an appropriate means of power generation *as compared with alternative means of energy production*, and (b) whether the benefits of hydropower will outweigh the socio-economic and environmental costs. Strategic-level consideration should be given to using these same criteria for considering alternative means of power generation, such as oil, gas and coal-fired generation technologies, as well as smaller-scale and (often) more locally-appropriate systems, such as micro-hydropower.

Box 1: Examples of social considerations with particular significance for dam site selection and planning in the Mekong River Basin.

- Limited availability of land for resettlement;
- High opportunity costs associated with flooding fertile valley bottoms;
- Displacement of people to marginal land with limited livelihood possibilities, thus exacerbating competition for diminishing natural resources with existing (and often poor) highland farmers;
- High dependence of rural populations on fisheries for the supply of animal protein. Thus, high vulnerability to potential impact of dams on fisheries production;
- Potential cumulative impacts (on fisheries, biodiversity and water supply) resulting from multiple water management structures within single river systems (particularly within the Mekong river system);
- Vulnerability of lowland production systems (particularly rice and fisheries) to hydrological and land use changes in upstream watersheds.

Oxfam Hong Kong also believes that careful assessment is required for smaller-scale dams (whether for hydropower or water supply), since smaller dams can also have significant impacts at the local level. Local-level social and environmental assessments provide a valuable means of working with local stakeholders to identify and avoid potential negative impacts.

Planning Constraints

The strong influence of government planning from national to commune level, as well as the government's commitment to strengthen participatory approaches in its work, are some of the strengths that could underpin more socially effective planning for dam construction and operation. However, Oxfam Hong Kong's experience of rural development in Vietnam demonstrates that there remain some important constraints to effective planning and implementation. These include:

- *The limited effectiveness of Environmental Impact Assessment (EIA) as a planning tool*

In Vietnam, participatory ways of working are still rather new; the capacity for participatory work is quite varied across the country and within government bodies. Hence, EIA is usually not applied in an open, consensus-oriented or participatory way. Indeed, EIA is often perceived as the domain of 'experts' and is rarely if ever used as an entry point for involving local stakeholders, harnessing

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their knowledge and considering their particular needs during the feasibility and design phases of dam planning. Particular care is therefore required to ensure that guidelines established by bilateral and multilateral development agencies are actually applied. Unfortunately, worldwide experience to date indicates that EIA guidelines are rarely used or followed,¹ so Vietnam is certainly not unique in this respect. Further, whilst numerous EIA reports have been produced in Vietnam, the extent to which EIA actually impacts on decision-making processes and dam design and implementation is unclear. Based on Oxfam's experience, however, that impact is likely to be rather low.

- *Sectoral approaches to decision-making*

Government decision-making is often sectoral in approach. This is at cross-purposes with "best practice" planning for dams, which integrates social, environmental, economic, and other local concerns from the beginning.

- *Lack of clarity in resettlement regulations*

Lack of a clear and well-implemented resettlement policy in line with international standards for resettlement has resulted in the further marginalization of a large number of people displaced by dams in Vietnam. Good resettlement policy includes elements of participatory planning, local consultation, restoration of comparable livelihoods to displaced people, and monitoring of socio-economic and environmental impacts.

- *Limited role for civil society*

Civil society is still rather limited in Vietnam, in terms of number (few organizations that are independent from Government or the Party), capacity for participation, and "room for movement". The role traditionally played by civil society in countries such as Thailand and India, as "watch-dog" and as an agent to facilitate people's participation, is therefore filled by local government and mass organization representatives in Vietnam.

Improving Local-Level Planning by Learning from Experience

Exchange visits for local-level officials

Exchange visits are an effective way to raise local officials' awareness about the potential impact of dams, and to help prepare them for the task of developing and implementing locally appropriate resettlement plans. An example is Oxfam Solidarite Belgique's facilitation of exchange visits between District and Commune People's Committees from a proposed site for dam construction (Ban Mai in Tuong Duong district, Nghe An province) to their local government counterparts at two major dam sites, Hoa Binh and Ya Ly.² These visits provided opportunities for officials to learn

¹ See Spooner, B. (1998). Review of the Quality of EIA Guidelines, Their Use and Circumnavigation. In: A Directory of Impact Assessment Guidelines. Compiled by Donnelly, A; Dalal-Clayton, B and Hughes, R. International Institute for Environment and Development, London.

² Exchange visit reports written by the Tuong Duong District People's Committee.

from practical experience and to anticipate resettlement and other social needs in their area. These visits were highly valued by participants. They also demonstrated, in retrospect, how poorly-prepared district and commune leaders were to undertake the complex task of managing dam-related resettlement programmes.

The two sites of Hoa Binh and Ya Ly themselves reflect the importance of acting on lessons learnt. Ya Ly has, at least in the short term, experienced far fewer resettlement-related problems than did Hoa Binh, essentially for two reasons: firstly because the Ya Ly project had taken on board lessons from the earlier Hoa Binh experience, including giving greater emphasis to involvement of local people in the planning, design and implementation of the resettlement programme. Secondly, the Ya Ly area was in the (unusual) position of having extensive land available for resettlement.

Considering indirect impacts of dams

Some indirect social impacts of resettlement and associated lessons were identified by local officials during exchange visits. These are listed below to draw attention to issues that should be considered in the early stages of dam planning:

a) Resettlement can aggravate existing development problems

The most notable examples include: increasing pressure on access to services; destabilizing fragile livelihood systems and asset bases of both the displaced and the host community; contributing to social dislocation.

- *Cash compensation can contribute to erosion of asset bases and livelihood options*

This is particularly so in unstable, subsistence economies, with negative impacts on long-term livelihood stability, if compensation is not planned carefully and sensitively. Examples and experience from Vietnam include:

- In the case of Hoa Binh, currency devaluation wiped out purchasing capacity to such an extent that compensation payments, calculated as sufficient to cover the costs of purchasing a buffalo, soon devalued to the equivalent of one kilo of meat.
- Some local people lacked the skills required to make wise investment decisions. Thus, cash payments should be complemented by adequate training and support for cash management/investment.
- The need to recognise that 'like-for-like' compensation is not always possible.

- *Rising illiteracy and further impoverishment/marginalisation of communities can result from resettlement and dispersal of communities*

Oxfam has documented some subtle impacts associated with the fragmentation of communities through resettlement. These can be manifested in increased distance to school and higher associated transport costs, resulting in lower school attendance, retention and achievement.

- *Accelerated breakdown of social systems and social cohesion*

Resettlement involves not only the movement of people but often of ancestral graves and traditional places of worship, weakening the essential social fabric of belief systems and cultural identity.

- *Greater poverty vulnerability*, associated with increased needs. This issue needs to be recognised and prioritised in compensation packages.

Responding to resettlement needs

More care is required to address priorities for inclusion in resettlement programmes. For example, greater attention should be paid to ensuring that displaced peoples are assisted in their efforts to respond to unfamiliar livelihood systems, thus helping to ensure that their new livelihood strategies are essentially sustainable. Where compensation packages were found to be satisfactory and more responsive to the needs of displaced people, a tendency to prioritise infrastructure inputs over long-term support to skill development in unfamiliar production systems (such as fisheries) was observed. Thus, while the immediate needs of dwellings and production inputs tended to be met, progressive impoverishment of families was frequently the longer-term impact due to a lack of real livelihood skills and options.

Some Recommendations for Improving the Quality of Options Assessment and Planning for Dams

- Options selection should take full account of alternative power generation possibilities and socio-environmental concerns.
- Policy, planning and project implementation needs to make more effective and innovative use of planning tools which allow for local involvement and information sharing. These need to be used from the policy to village level. Some suggestions are included in Box 2 below.

Box 2: Examples of planning tools which provide entry points for broader-based stakeholder involvement in planning for and implementation of dams	
Level	Tool
Policy	<ul style="list-style-type: none"> • Strategic Environmental Assessment (with a particular focus on assessing potential alternatives to water supply and power generation at national/regional/catchment levels)
Project	<ul style="list-style-type: none"> • Environmental Impact Assessment (with greater attention to assessing alternative dam locations and project designs, improved transparency; greater stakeholder involvement and more attention to assessing cumulative

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	impacts) <ul style="list-style-type: none"> • Social Impact Assessment (with particular attention to marginalized groups such as women, ethnic minorities and villagers in remote locations)
District/commune	<ul style="list-style-type: none"> • Exchange visits and improved information sharing
Village	<ul style="list-style-type: none"> • Enhancing local planning and information sharing using participatory techniques (e.g. Participatory Rural Appraisal)

- Infrastructure projects should make provision for local officials and mass organization representatives at district and commune levels to undertake study visits to comparable project sites as preparation for the task of leading the development and implementation of locally appropriate resettlement plans and dam implementation. This should be an integral component of project planning and the project cycle.
- Information about proposed dam projects should be disseminated to stakeholders at the local level, with documentation provided in language that is easy to understand, and meetings organized and facilitated in such a way as to ensure the highest level of meaningful participation, including clear processes for feeding information down and feeding questions, concerns and recommendations up. Such processes must be timed to ensure that feedback is received by decision-makers before key decisions about projects are taken.
- Resettlement plans and packages should make adequate provision for skills development in unfamiliar livelihood production systems. This should include training, follow-up support, and especially monitoring of long-term impacts on poverty levels, followed up by adjustments to programme design and implementation.
- More research and development of improved and locally appropriate mechanisms to support resettlement should be undertaken, taking into account local customs and practices, the range of livelihood sources and potential credit options such as village trust funds.
- Where possible, resettlement in a given locality should be staggered so that the lessons of resettlement from one village can feed into the design of subsequent resettlement plans for neighbouring villages.