Nile Basin Initiative (NBI) - Water Resources Planning and Management Project (WRPMP)

PROJECT PLANNING AND MANAGEMENT (PPM) TRAINING TOPIC 8
PROJECT COMMUNICATION AND REPORTING

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NILE BASIN INITIATIVE
Initiative du Bassin du Nil

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Abbreviations & Acronyms

ADB	Asian Development Bank
CBO	Community-Based Organization
CSO	Civil Society Organization
DAD	Decide, Announce, Defend
DDP	Dams and Development Project
DOTS	Development Outcome Tracking System
EACPMP	East African Community Power Master Plan
EMS	Environmental and social management system
ERR	Economic Rate of Return
FRR	Financial rate of return
GIS	Geographic Information System
GRI	Global Reporting Initiative
HIV	Human immunodeficiency virus
IAP2	International Association for Public Participation
IDA	International Development Association
IFC	International Finance Corporation
IWRM	Integrated Water Resources Management
MRC	Mekong River Basin
NBI	Nile Basin Initiative
NELSAP	Nile Equatorial Lakes Subsidiary Action Programme
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
OP	Operational Policy
PSC	Project Steering Committee
SSEA	Strategic/sectoral environmental and social assessment
TVA	Tennessee Valley Authority
UNEP	United Nations Environment Programme
WCD	World Commission of Dams
WB	World Bank

Preface

In order to illustrate the relationships between different Training Topics, we need to go beyond the Project Planning Management framework. The following diagram schematically depicts the Strategic Planning and Management Process where each Training Topic is highlighted by its order number.

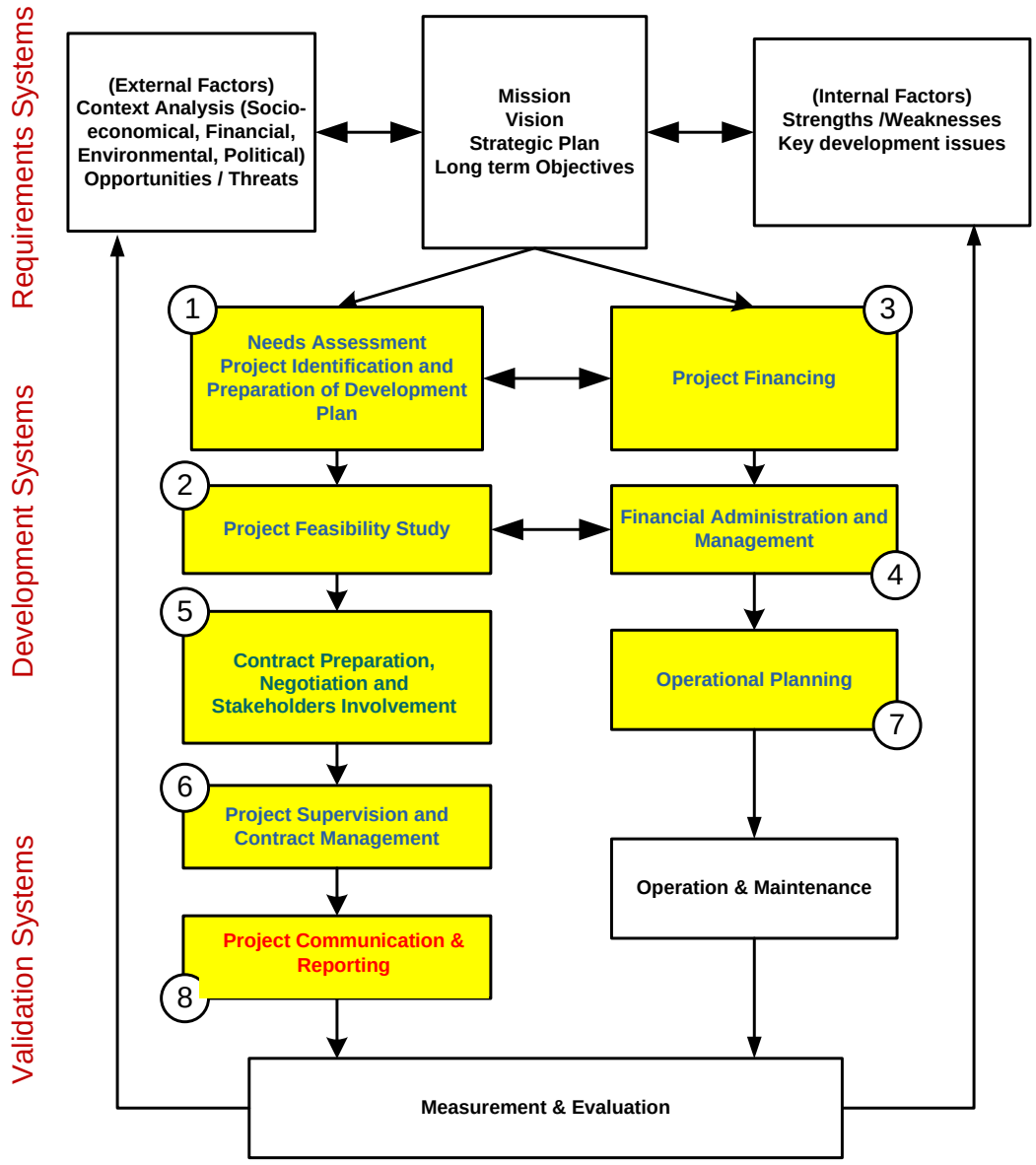


FIGURE A
GENERAL LAYOUT OF THE TRAINING TOPICS WITHIN THE FLOW-CHART MODEL OF THE STRATEGIC PLANNING AND MANAGEMENT SYSTEM

1. INTRODUCTION

Project communication has emerged as a management approach in response to the evolution of social attitudes and expectations. Large public agencies must take decisions that affect a disparity of conflicting interests and are confronted by a lack of trust in public institutions. As a result, **the decision-making process is often viewed as being just as important as the decision itself**.

Since the mid-1970s, large public agencies have increasingly turned towards development communication as a method for achieving their objectives. In most countries, public river basin agencies and water and power utilities make use of the public participation process.

Development communication is a process whose goal is to integrate the concerns and opinions of interested groups in decision-making in order to harmonize plans, programs or projects with local aspirations or expectations. It involves both the gathering of information through consultation processes as well as the distribution of information through communication processes.

Traditional approaches to project communication have usually been based upon what is known as the **DAD approach**: "Decide, Announce, Defend." Information provided in project communication on the basis of the DAD approach tends to be restricted to the bare essentials, to be focused on the selected option rather than on all reasonable options, and to be biased in favor the interests of the promoting agency. The adoption of such an approach by development agencies is no longer considered as acceptable by interested groups, whether they be affected populations or governmental or non-governmental agencies. Due to changes in social attitudes and expectations and to the growing complexity of modern development planning, project communication must be open and transparent. It must be based upon extensive information sharing among all interested groups throughout the project planning and implementation process.

Modern approaches to project communication make it important to reach out to all interested groups, including to potential opponents, in order to include them from the onset of the project planning and implementation process. Putting into place a **participatory approach** to project communication requires careful planning and the implementation of adapted institutional policies and management frameworks. In the case of public river basin agencies such as the Nile Basin Initiative, this requires the full support of member countries and of upper management staff, in addition to the adaptation of national project communication processes to the needs of multi-country programs which must be based upon international best practices.

In this perspective, this document is a Manual that aims to:

1) introduce public decision-makers to the underlying principles of a participatory approach to project communication;
2) to provide public decision-makers with an overview of available methods for managing project communication;
3) to provide public decision-makers with an overview of related techniques and tools;
4) to enable public decision-makers to integrate public communication strategies into the project planning process;
5) to provide public decision-makers with an overview of reporting methods and techniques used at the project implementation stage.

Given the critical importance of project communication to the success of water resource development projects, the focus of this Manual is mainly concentrated on project communication approaches and methods rather than on project reporting methods and techniques.

Training Objectives

Upon completion of this seminar, the participant will be able to:

1. Understand key principles of project communication and development communication.
2. Select the right type of communication, consultation and negotiation approaches and methods to be used for a specific project.
3. Understand the different stages of the public communication process and key linkages with the project planning and implementation process.
4. Understand the key requirements for managing public communication processes.
5. Understand the techniques and tools required for project communication.
6. Be able to integrate public communication strategies into the project planning process, including negotiation and benefit-sharing strategies.
7. Understand methods and techniques used for reporting at the project implementation stage.

In preparing this Manual it has been impossible to cover every detail of the subject. However, the document has been sub-divided to provide fairly self-contained descriptions/guidelines of the different aspects in varying degrees of detail. This would facilitate any further development on each subject. The following sections of the manual are presented as follows:

Chapter 2 describes the basic principles of project communication

Chapter 3 provides an overview of methods for management of project communication

Chapter 4 discusses techniques and tools for project communication

Chapter 5 addresses communication strategies for project development

Chapter 6 addresses reporting during project implementation.

The reader will find in Appendix A an example of a project information document recently prepared by a Canadian power utility for a major hydroelectric project. The Manual is completed by a separate document that provides five summary Case study presentations that have been prepared in support of the delivery of a seminar on Project Communication and Reporting.

Examples of international guidelines on development communication, stakeholder involvement and reporting are also provided in the References at the end of the Manual. These documents have been extensively used for the preparation of this manual. They can be downloaded from the relevant institutional websites (World Bank, International Finance Corporation, Asian Development Bank, United Nations Environment Programme, Mekong River Basin Commission, Global Reporting Initiative, etc.) and used as additional reference materials for the use of this training manual.

This Manual also takes on board a number of comments and suggestions provided by participants in a five day NBI Training program on Project Communication and Reporting held from May 9 to May 13, 2010 in Khartoum, Sudan.

2. PRINCIPLES OF PROJECT COMMUNICATION

2.1 Defining project communication

According to the World Bank's Development Communication Sourcebook (2008a), four basic types of communication are generally distinguished in the literature:

- **Corporate communication** (which uses media outputs and products to promote the mission and values of the institution);
- **Internal communication** (which ensures timely and effective sharing of information within an institution);
- **Advocacy communication** (which raises awareness on specific issues and uses communication methods and media to influence specific audiences);
- **Development communication** (which establishes conducive environments for assessing risk and opportunities; disseminates information; and induces behavior and social change).

Development communication, which is particularly relevant to water resource development projects, is the type of communication that is covered in this Manual.

Three dominant paradigms or theoretical frameworks have dominated development communication since the middle of the Twentieth Century (World Bank, 2008a):

- The dominant paradigm: **Modernization** (since the 1950s), with a focus on the Sender-Message-Channel-Receiver (SMCR) model;
- The opposing paradigm: **Dependency and World-System theories** (since the 1960s) with a greater focus on the link between communication and culture;
- The emerging paradigm: **Participation** (since the 1980s) based on a horizontal "two-way" model.

The current boundaries of development communication include both "Diffusion approaches" developed as part of the "dominant" and "opposing" paradigms and "Participation approaches" developed within the "emerging" paradigm.

The value-added of development communication is illustrated by the following elements:

- A number of studies have concluded that a top-down approach to project management is less effective than a participatory one;
- Development communication supports the shift towards a more participatory approach by providing a comprehensive overview of development issues;
- A World Bank funded study carried out by Hydro-Quebec International and Vincent Roquet & Associates in 2004 for 8 major international dam projects concluded that one of the main problems faced by such projects was related to project communication (World Bank, 2004).

Basic principles of development communication can be summarized as follows (World Bank, 2008a):

- **Dialogic**: Dialog is the heart of the new communication paradigm;
- **Inclusive**: Inclusion is a first step in any situation analysis, with an emphasis on marginalized or vulnerable groups;
- **Heuristic**: Communication is used as an investigative tool to discover or solve problems;
- **Analytical**: Communication is used to assess political risks and opportunities;
- **Participatory**: Participation is applied in different degrees according to the intervention;

- **Contextual**: Communication is adapted to each country framework (principle of "country ownership");
- **Interdisciplinary**: Requires interdisciplinary knowledge extending beyond communication (ethnography, sociology, political economy, adult education, marketing, etc.);
- **Strategic**: Emphasizes the professional and timely application of communication techniques and methods to achieve intended objectives;
- **Persuasive**: Communication can be used legitimately to induce voluntary change in individuals;
- **Information**: Information is considered as one of the outputs of communication and is usually related to causality intents (using messages to change knowledge, attitudes, behavior);
- **Communication**: Communication is considered as a comprehensive term that encompasses all forms of human interactions, from the interpersonal to the mediated ones, and from the one-way linear flow to the two-way dialogic processes.

Key terminology used in development communication includes (World Bank, 2008a):

- **Participation**: Participatory communication approaches are related but distinct from participatory planning approaches. They are used not only to investigate the overall situation but also to research communication-related issues (ex: media systems, available capacities, etc.);
- **Consultation**: In similar fashion to information, consultation can be considered as a subset of participation and communication. In consultation, stakeholders are invited to express their opinions but decision-making is out of their hands;
- **Capacity building**: Capacity building for development communication is often associated with training, adult education, learning, participation and empowerment. It means enhancing specific knowledge and skills, both at an individual and institutional level, often through the sharing of knowledge and experiences;
- **Empowerment**: Development communication, with its dialogic and explorative connotation, can facilitate empowerment through specific training or the creation of space for working cooperatively on specific initiatives at an individual, institutional or community level;
- **Dialog**: Dialog is to be understood as the professional use of dialogic methods and approaches meant to engage stakeholders in the definition and investigation of relevant issues for the development initiative; it is used to generate and share knowledge.

Key issues about development communication can be summarized as follows (World Bank, 2008a):

- **"Communications" and "communication" are not the same thing**: Communications refer mainly to activities and products, including information technologies, media products and services;
- **There is a sharp difference between everyday communication and professional communication**: Not everyone can communicate strategically;
- **There is a significant difference between development communication and other types of communication**: professionals in this field are not interchangeable;
- **The main scope and functions of development communication are not exclusively about communicating information and messages:** They also involve assessing stakeholders and assessing the situation;

- **Development communication initiatives can never be successful unless proper communication research is conducted before deciding on the strategy;**
- **To be effective in their work, development communication specialists need to have specific and in-depth knowledge of the theory and practical applications of the discipline;**
- **Development communication support can only be as effective as the project itself:** The most well-designed communication strategy will fail if the overall objectives of the project are not well defined, if they do not enjoy a broad consensus from stakeholders, or if the activities are not implemented in a satisfactory manner;
- **Development communication is not exclusively about behavior change**: It also includes probing socio-economic and political factors, identifying priorities, assessing risks, empowering people, strengthening institutions, and promoting social change within complex environments;
- **Media and information technologies are not the backbone of development communication:** The value-added of development communication occurs before media and ICT are even considered;
- **Participatory approaches and participatory communication approaches are not the same thing** and should not be used interchangeably, but they can be used together, especially during the research phase.

2.2 Scope and uses of development communication

The scope and uses of the two main forms of development communication are summarized hereafter (World Bank, 2008a):

1) **Monologic mode:** One-way communication for behavior change (known as "diffusion"). It is often used in public health initiatives and includes:
   - Communication to inform (or Information);
   - Communication to persuade.
2) **Dialogic mode:** Two-way communication for engagement and learning. It includes:
   - Communication to assess;
   - Communication to empower.

Both approaches are used in development communication.

2.3 Project communication in Integrated Water Resources Management

In the planning stages, Integrated Water Resources Management (IWRM) takes into account demand management, least-cost planning, integration of external environmental and social costs, as well as public participation, which is considered as a way of including external issues.

IRWM contributes to minimizing long-term costs (construction costs, environmental and social costs and other externalities) and to integrating a greater diversity of interests by allowing the broadest possible interaction with the public.

Public involvement in IWRM is essential for defining and evaluating long-term plans and determining short-term programs and projects that are consistent with these plans. Without two-way communication between a river basin agency and its beneficiaries and interest groups, a plan, program or project is in danger of ignoring community needs.

Accordingly, a plan, program or project should present evidence that it was developed on the basis of ideas and advice provided by a variety of external interests.

2.4 Types of project communication in development projects

Public participation practitioners identify four general approaches to public involvement in projects, namely Information-feedback, Consultation, Participation (or participatory planning), and finally Delegated authority or empowerment. The World Bank distinguishes three general approaches to public involvement in projects that correspond to the first three below (see Box 1).

2.4.1 Information-feedback

Information feedback is used to elicit reactions or seek validation. It may be based on formal or informal meetings and public meetings.

2.4.2 Consultation

Consultation can help evaluate reactions, views and issues or to harmonize an activity with local aspirations. The consultation may be based on formal or informal meetings, surveys or polls, and/or requests for written views (including on Websites).

2.4.3 Participation or participatory planning

Participation or participatory planning seeks for consensual solutions or to promote partnership. The participation or participatory planning may be based on forums or debates, task forces or collaborative groups and/or collaborative process.

A collaborative process seeks to define the problems associated with the activity and to resolve them by finding a consensus among the various parties. The parties must establish a memorandum of agreement at the outset on the objectives to be reached, the operating principles and the timetable. The memorandum also expresses the moral commitment of the participants but does not constitute a legal document. Such a process brings together parties who have an influence on the activity in terms of design, execution and regulation, and who support it.

2.4.4 Delegated authority or empowerment

Delegated authority or empowerment aims at sharing decision-making power or at making joint decisions. It may be based on a joint decision-making committee.

Box 1: World Bank's Environmental Assessment Policy (OP 4.10)

The World Bank's Environmental Assessment Policy (OP 4.10) distinguishes three types of public involvement in project preparation:

Information disclosure, which is a prerequisite for meaningful consultation for all projects. Information should be provided in a timely manner and in a form that is meaningful for, and accessible to, the groups being consulted;

Consultation, which involves soliciting people's views on proposed actions and engaging them in a dialogue for Category A projects. Such projects are defined as being liable to significantly affect the environment. Any consultation should pay particular attention to issues most likely to affect the persons being consulted; and

Participation, which is a voluntary process in which people, including marginal groups, share, negotiate and control the decision-making process. Participation is a minimal requirement for any Bank funded project which involves involuntary resettlement, Indigenous groups, specific beneficiary groups or community-based development.

2.5 When to use participatory approaches

Information-feedback (or disclosure) approaches should be used at all times for development projects. Consultation or Participation approaches should be used only when the concerned agency:

1) has the power to make a decision or a recommendation about an activity; and
2) when there is a decision to be made that will have one or more impacts on individuals or community groups, i.e. when the activity and it's impacts are likely to raise external issues or public controversy.

2.6 Benefits and risks of project communication

The main benefits of project communication include the following:

- Public involvement is compatible with the principles of Good Governance, i.e.: human rights and the right to development, transparency, due process and accountability;
- Public involvement minimizes harmful psychological and social effects of involuntary resettlement and of project effects on marginal groups; and
- Public involvement improves the perception of projects and the efficiency of the overall planning process by avoiding the creation of opposition groups left out of the project planning process.

The most common risks attributed to project communication are:

- Delays and excessive costs which ensue when projects have to backtrack. However, excessive costs are less likely to result when public participation is planned and organized as part of an overall planning process;
- Raising anxieties and expectations prematurely may result from poorly planned consultations. The best way to reduce this risk is to provide adequate information early on in the process;
- Politically or socially volatile situations may make public participation more difficult. Sensitivity and discretion are required when local representatives find themselves at risk when or if taking part in consultation;
- Development resources can be captured by people for whom they were not intended (interest groups). This can be largely avoided by checking whether representatives and interest groups really do reflect the perspectives of affected groups.

Most of the risks associated with project communication can be avoided with sound planning. However, the absence of consultation and participation with affected groups may pose a greater risk to the project in the long run.

2.7 Conditions for effective public participation

The conditions for effective public participation include the appropriateness of the **public participation framework** and the quality of the **enabling environment**.

2.7.1 Appropriateness of public participation framework

The public participation framework defines the 'what, why, when, who, where and how' of the public participation process. Clear agreement on "the rules of the game" is required at the start of the consultation process to encourage respect and trust among participants.

2.7.2 Quality of enabling environment

The enabling environment for effective public participation involves the delegation of authority to make firm commitments on issues that bear on project design and implementation. It also requires

making available adequate financial resources to support the public participation process and building the required in-house institutional capacity and social science expertise.

2.8 Basic elements of public participation

2.8.1 Objectives of public participation

The main objectives of public participation are the following:

- Understanding the socio-political context in which planned activities will take place;
- Informing all concerned groups (or stakeholders) about the details of planned activities;
- Collecting and analyzing the views of people and groups concerned by the planned activities;
- Analyzing the results of consultations in order to integrate them into the planning and implementation process;
- Identifying potential issues and concerns and managing them as early as possible to avoid crisis situations; and
- Obtaining the informed consent of affected groups and individuals.

2.8.2 Prerequisites of public participation

Prerequisites of public participation include:

- Adopting an attitude of openness and consistency based on the provision of information that is complete, objective and ongoing;
- Maintaining an attitude of respect toward opinions and views of the public, including a willingness to change plans;
- Maintaining an attitude of confidence in the public's ability to understand constraints and contribute to finding solutions;
- Maintaining a responsible attitude about respecting public commitments;
- Adopting an attitude of conflict avoidance, rather than one of confrontation with the public.

2.8.3 Principles governing public participation at the upper management level

The following principles govern public participation at the upper management level:

- Ensuring that the institution has the power to make decisions or recommendations about the activity subjected to a public participation process;
- From the outset, establishing, stating and publicly discussing the plan governing the public participation process for the particular activity;
- Clearly defining which areas are open to public participation and which ones are not;
- Beginning the public participation activity at the start of the design of the activity in order to enable various groups concerned to influence the decision-making early on;
- Allowing direct discussions at all important stages of an activity (public participation is an interactive process based on a personalized approach using meetings of different kinds);
- Providing sufficient time for the people directly concerned to be able to act and contribute to the development of the activity;
- Make public the various stages of the participatory process and justify choices made during planning and implementation of the activity.

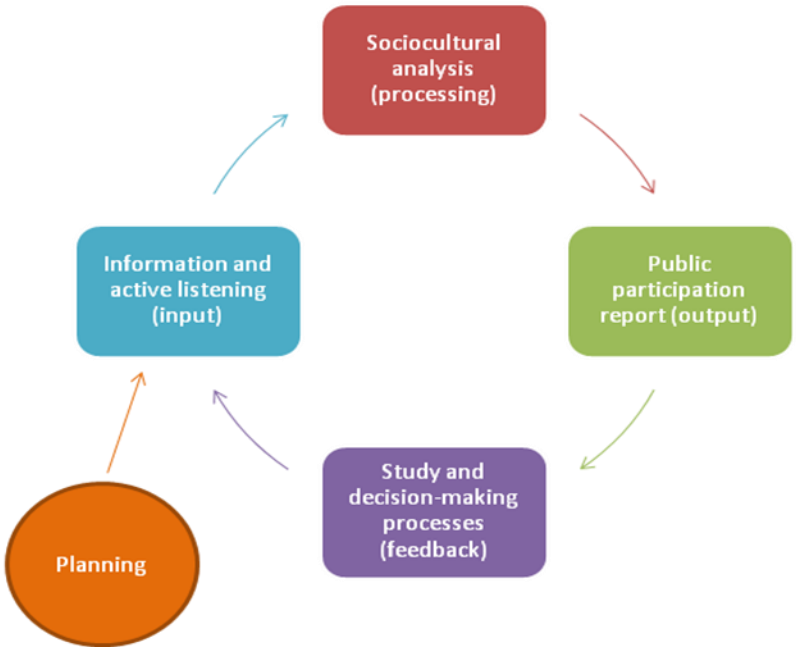
2.8.4 Basic steps of the iterative consultation process or public participation loop

Any process that involves the public in a decision concerning an activity requires at least one iterative consultation process or public participation loop (Figure 1). Depending on projects, this process may be applied a number of times throughout the project planning and implementation process, depending on the number of decisions and the sensitivity of issues involved.

The five basic components of the public participation loop include:

- **Planning**, which leads to development of a Public participation plan;
- **Information collection and active listening**, which represents the input of the cycle and is supported by various consultation activities and specialized studies;
- **Socio-cultural analysis**, which consists of processing collective views and concerns and identifying issues
- **Stakeholder consultation report**, which represents the output of the cycle and summarizes the results to date;
- **Feedback**, i.e. return to the input, which consists of examining the contents of the activity in light of the results. This may lead the utility to modify a scenario, to reorient its studies, or to make intermediate decisions which are then used as an input for the next public participation loop.

Figure 1 Public participation loop



2.8.5 Establishing a public participation framework at the institutional level

The public participation framework is an integrated communications approach that is applied throughout the organization. It applies the principle that the decision-making process is often just as important as the decision itself and is normally based upon an information disclosure policy and upon a stakeholder consultation policy or guidelines.

2.8.6 Defining a public participation plan at the program or project level

The public participation plan is a clearly defined action plan at the program or project level. The plan should include the following elements:

- Summary presentation of the institution's information disclosure policy and stakeholder consultation policy or guidelines;
- Description of the public participation process (preconditions, principles, forms of participation, etc.);
- Description of the socio-cultural setting, of the degree of public interest in the activity and of the issues likely to be raised by the activity;
- Stakeholder analysis identifying potential beneficiaries, affected groups and other concerned or interested parties as well as their representatives;
- Presentation of the objectives of the proposed consultation process and of the subjects submitted for discussion;
- Description of the institution's internal study and decision-making processes and procedures for integrating the public's views and concerns.

2.9 Basic elements of public consultation

According to the IFC's *Handbook on Stakeholder Empowerment* (IFC, 2007a), project communication is really about **initiating and sustaining constructive external relationships over time**. This is very different from the traditional DAD approach to project communication (Decide-Announce-Defend) which is no longer considered as appropriate, particularly for international water resources management. The management of public consultations requires reaching out to all interested groups (or stakeholders), including to potential opponents, in order to include them from the onset of the project planning and implementation process. It involves the following activities which are described in further detail hereafter:

- Plan information and consultation activities;
- Verify the effectiveness of the plan;
- Provide the necessary resources and timelines;
- Ensure the active participation of program/project directors;
- Hire and train the required specialized staff members;
- Keep a close control over the communication process;
- Coordinate all of the information and consultation activities;
- Install a climate of consensus-building and trust;
- Do not raise false hopes (do not oversell);
- Work with the authorities;
- Work with CSOs/NGOs and local interest groups.

2.9.1 Identifying major stakeholders

Stakeholders are individuals or groups of persons that are affected, concerned or interested by a policy, a program or a project. Civil Society Organizations (CSOs) and Non-Governmental Organizations (NGOs) are comprised of a variety of private not-for-profit organizations that have a

role in public life for expressing the interests and values of their members or others, based on cultural, economic, ethical, political, scientific, philanthropic, or religious considerations.

2.9.2 Applying core values of stakeholder participation

The International Association for Public Participation (IAP2) has identified Core Values describing attributes of a stakeholder participation process that are the minimum standards that delivers a fair and ethical process, including:

- Stakeholders have a say about decisions that affect their lives;
- Stakeholders' contributions genuinely influence decisions;
- Sustainable decisions are achieved by meeting the needs of all participants, including the decision-makers;
- The involvement of those potentially affected is sought out and facilitated;
- Participants are involved in defining how they participate;
- Stakeholders are provided with the information they need so they can participate in a meaningful way;
- Stakeholders are informed how their input influenced the decision as a result of their participation in the process.

2.9.3 Clearly defining consultation objectives

Consultation objectives typically include the following:

- Improve the decision-making process by capturing the experience of specialized civil society organizations (CSOs);
- Tap the knowledge of CSOs that work at the community level (building on existing foundations);
- Give voice to the poor and the excluded by consulting with CSOs whose membership comprises such groups;
- Promote sustainability for proposed policies, programs or development projects;
- Appreciate the variety in the needs of different population groups, including gender, public health, socio-cultural, socio-economic, or geographic variations;
- Set the foundation for broad-based participation in the ensuing design and implementation of development interventions;
- Assist institutions in increasing transparency, public understanding and citizen involvement in decision-making.

2.9.4 Following the iterative consultation process or public participation loop

The IFC's Handbook (IFC, 2007a) defines as follows five steps for iterative consultation, which are similar to those discussed previously for the Public participation loop:

1) Planning ahead;
2) Consultation using basic principles of good practices;
3) Incorporating feedback from the consultation into the decision-making process;
4) Documenting the process and outcomes of the consultation; and

5) Reporting back to participants on the outcomes of the consultation and on planned future project communication activities.

These five steps aptly summarize the basic elements that must be incorporated into a project-specific public participation plan (or stakeholder consultation plan). These steps are further described hereafter.

2.9.5 Planning ahead

Planning ahead consists of preparing a context-specific public participation plan. Before beginning a stakeholder consultation process, it is useful to think about who needs to be consulted, over what topics, and for what purpose? Getting clear answers for these questions on the basis of a systematic **stakeholder analysis** can help save time, reduce costs, and keep expectations in check.

For simpler projects and project expansions, it may be sufficient to verify that certain key questions have been considered. These may include the following:

- **Purpose** – What are the strategic reasons for consulting with stakeholders at this particular phase of the project? These may span a wide range of objectives, from meeting regulatory requirements and negotiating compensation, to obtaining access to community land for survey work, building trust relationships, or managing expectations in general.
- **Requirements** – Are there requirements for consultation that need to be met at this stage of the process? These may be legal or regulatory requirements, internal corporate policy requirements or conditions of the lenders or shareholders.
- **Stakeholders** – Who are the key stakeholder groups that need to be consulted during this phase of the project? What are the likely issues that they will wish to discuss? What are their interests and why?
- **Scoping of priority issues –** Are there any high risk groups or issues requiring special attention at this stage? Are there vulnerable groups in the project area or topics that are particularly sensitive or controversial? Advance planning may be required to tailor the consultation specifically to these needs.
- **Techniques** – Which techniques and methods will be most effective in communicating with the different stakeholder groups? Traditional or customary means of consultation and decision-making may be relevant here. Consider using participatory methodologies where appropriate and engaging skilled practitioners to facilitate the process.
- **Responsibilities –** Who within the company (or externally) is responsible for what activities? Are timetables, responsibilities and lines of reporting for consultation activities clear?
- **Documentation –** How will the results of the process be captured, recorded, tracked, and disseminated?

2.9.6 Consultation using basic principles of good practice

There is no one right way of undertaking consultation. Given its nature, the process will always be context-specific. This means that techniques, methods, approaches and timetables will need to be tailored for the local situation and the various types of stakeholders being consulted. Ideally, a good consultation process will be:

- **Targeted** at those most likely to be affected by the project;
- **Early enough** to scope key issues and have an effect on the project decisions to which they relate;
- **Informed** as a result of relevant information being disseminated in advance;

- **Meaningful** to those consulted because the content is presented in a readily understandable format and the techniques used are culturally appropriate;
- **Two-way** so that both sides have the opportunity to exchange views and information, to listen, and to have their issues addressed;
- **Gender-inclusive** through awareness that men and women often have differing views and needs;
- **Localized** to reflect appropriate timeframes, context, and local languages;
- **Free** from manipulation or coercion;
- **Documented** to keep track of who has been consulted and the key issues raised;
- **Reported back** in a timely way to those consulted, with clarification of next steps;
- **Ongoing** as required during the life of the project.

2.9.7 Incorporating feedback from the consultation into the decision-making process

The credibility of a consultation process rests upon taking into account the views expressed by stakeholders in the decision-making process and respecting commitments made in public.

2.9.8 Documenting the process and outcomes of the consultation

Stakeholder consultation reports should clearly document the process and outcomes of consultation activities, including project-related decisions that have been made following the consultations.

2.9.9 Reporting back to participants

Stakeholder consultation reports should also document the extent to which stakeholders' views have been fully taken into account or not in the decision-making process, as well as the rationale for decisions that have been made.

3. METHODS FOR MANAGEMENT OF PROJECT COMMUNICATION

3.1 Four-phased framework for development communication

The World Bank's four-phased framework for development communication is summarized below (World Bank, 2008a):

1. Communication-based Assessment;
2. Design of communication strategy;
3. Implementing the communication program;
4. Communication monitoring and evaluation.

Each of these phases is described in further detail in Chapter 4. Communication-based Assessment (CBA) is the most important of the four phases in terms of time and resources and typically includes:

- Government and political risk analysis;
- Stakeholder analysis;
- Assessment of institutional arrangements and local capacity;
- Social and participatory communication.

The main steps of CBA can be summarized as follows (World Bank, 2008a):

1. **Become acquainted with key issues** (review of relevant documentation about the project, its objectives and the problem it is trying to address);
2. **Identify, define, and engage key stakeholders, building trust** (identify and engage in dialog, and explore stakeholders' perceptions on key issues);
3. **Assess communication networks and capacities** (identify and analyze the communication and information systems of relevant stakeholders);
4. **Probe problems, causes, risks and opportunities** (explore the causes of the problems, assess political, technical and economic risks and opportunities);
5. **Assess and rank options and solutions** (analyze and discuss possible solutions to achieve the intended change);
6. **Validate the extent of the problems** (use surveys or other quantitative techniques to validate and assess the extent of the problem on key issues for the relevant audiences or stakeholder groups);
7. **Transform best options/solutions into objectives and define impact indicators** (synthesize all information and transform data into usable accounts to define or confirm proper project and/or communication objectives – and indicators to assess impact).

3.2 Management functions for project communication

According to the IFC's *Handbook on Stakeholder Empowerment* (IFC, 2007a), good practice increasingly points to incorporating public communication activities into an agency's environmental and social management system (EMS). In practice this means making its management systematic by integrating it with core business activities. To achieve this, managers will need to identify critical points in the life of the project where public participation will be needed, and determine who will deliver these actions and how they can be integrated with core business functions.

Most importantly, stakeholder engagement should be managed as one would manage any other business function — with clearly defined objectives and targets, professional, dedicated staff,

established timelines and budget, and senior management responsibility and oversight. Some good practice principles for managing stakeholder engagement processes are given below in the IFC's Handbook.

3.2.1 Coordinate activities and assign overall responsibilities

This is generally best achieved by giving a senior manager overall responsibility for public communication and consultations. This high-level oversight not only helps to underscore the importance of the function, but is needed in order to effectively implement the strategy and coordinate the various activities across the agency.

3.2.2 Hire, train and deploy the right personnel

Engaging with different types of stakeholders requires different skills and staffing considerations (including field-based community liaison managers.

3.2.3 Create clear reporting lines

Community liaison officers need to have the authority to negotiate on behalf of the agency and clear guidance regarding decisions that they must pass on to upper management.

3.2.4 Communicate the communication strategy internally

Stakeholder relations is a collective responsibility and every department needs to be aware of the strategy, to understand why the company is committing time and resources to it, as well as its potential to impact on reputation and project outcomes.

3.2.5 Develop and maintain a stakeholder database

A current and regularly updated stakeholder engagement database should be put into place as a management tool. Ideally, it should contain details of the various stakeholder groups (their representatives, interests and concerns); details of any consultations held (including when these took place, the topics discussed and results); any commitments made by the project agency, both those outstanding and those already delivered; and a record of specific grievances lodged and the status of their resolution. Maintaining such a database is important for continuity purposes, especially in the transitions between project phases where personnel changes are common.

3.2.6 Develop and maintain a commitments register

Timely follow-through requires keeping track of all the various commitments made to stakeholder groups (affected communities, local government, lenders, NGOs, or other organizations) over the life of the project.

3.2.7 Stay in control of "third party" engagement

Part of managing stakeholder relationships is keeping track of who is speaking on the project's behalf and what is being said by third parties, as well as managing related risks to the project.

3.2.8 Manage contractor risk

Contractors frequently have the potential to directly impact stakeholder relations through their behavior and day-to-day interactions with the local population and should therefore be selected on the basis of their ability to interact with local communities.

3.2.9 Track changes in the quality of stakeholder relationships

An annual or semi-annual "perception" survey, independently administered, which uses the same set of questions over time to achieve continuity, is a tool some agencies use to help them manage the public communication and consultations process.

3.3 Identification and analysis of stakeholders

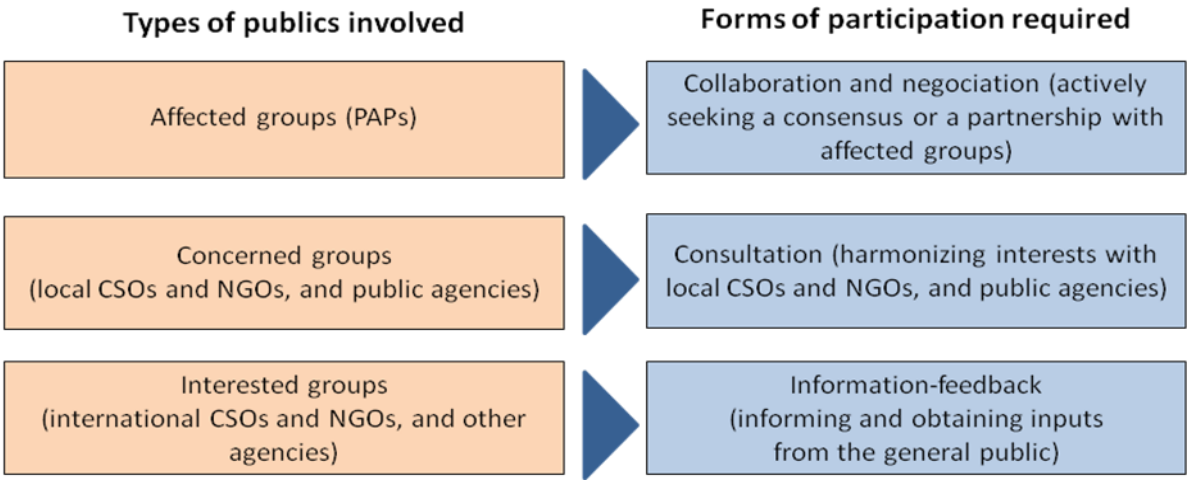
The identification of stakeholders is an important part of the initial groundwork required in order to establish a public participation plan. It involves the profiling of interest groups and individuals to be informed and/or consulted and their classification on a regional, national and local basis, according to three categories:

Affected parties or potentially affected parties;

1) Concerned parties, such as local public agencies and civil society organizations (CSOs/NGOs);
2) Interested parties, such as international NGOs and national or multilateral public agencies and institutions.

Normally, it is the affected or concerned parties who want to be able to express their views and concerns before the utility makes it choice, rather than reacting to the utility's preferred choices. The interested parties generally have a less active attitude and rarely take a stand on a specific activity. When they do, they become concerned.

Figure 2 Relationship between the types of public and the forms of participation required



3.3.1 Relevant questions for stakeholder identification

Relevant questions for the identification and analysis of stakeholders include the following (Sarkassian, 2001 in IFC, 2007a):

- Whose work or life will be positively or negatively affected?
- Who lives close to the location of the proposed project?
- Which organizations and activities might be affected?
- Who might be affected by changes to their customary habits, activities or routes?
- Whose values and interests may cause them to care about the activity?

3.3.2 Principles of stakeholder identification

Stakeholder identification aims at determining who the project's stakeholders are, and their key groupings and sub-groupings. Some good practice principles for stakeholder identification are given below in the IFC's Handbook (IFC, 2007a):

3.3.2.1 Identify stakeholders that are directly or indirectly affected by the policy, program or project

This analysis should be used to establish and articulate the project's area of influence and determine who might be affected and in what way, in order of importance, while avoiding defining stakeholders too narrowly.

3.3.2.2 Identify those whose "interests" define them as stakeholders

These may include individuals or groups located outside the affected area and even from other countries or overseas. "Interest-based" analysis and mapping can help clarify the motivations of different actors and the ways in which they might be able to influence the project. For this set of stakeholders, cost-effective solutions (newsletters, websites, targeted public meetings) can establish and maintain open channels of communication.

3.3.2.3 Be strategic and prioritize

It is not not practical, and usually not necessary, to engage with all stakeholder groups with the same level of intensity all of the time. This requires prioritizing project stakeholders and determining the most appropriate ways to engage over time.

3.3.2.4 Refer to past stakeholder information and consultation

Referring to the project's historical background as well as that of the project affected area can save time and flag up risks, liabilities, or unresolved issues that can then be prioritized and managed in relation to the different strategic alternatives being considered.

3.3.2.5 Develop socio-economic fact sheets with a focus on vulnerable groups

In the case of large development projects that can affect people and the environment over wide areas of even several countries, the development of socio-economic fact sheets by experienced social scientists familiar with the concerned areas can be useful for project staff and external consultants working in the proposed project area. These fact sheets can be updated over time as the project moves forward from the planning to the implementation stage.

3.3.2.6 Verify stakeholder representatives

Identifying stakeholder representatives and consulting with and through them can be an efficient way to disseminate information to large numbers of stakeholders and receive information from them. However, this requires periodic verification that representatives truly reflect the views of the groups that they claim to represent. Stakeholder representatives may include, but are not limited to:

- Elected representatives of regional, local, and village councils;
- Traditional representatives, such as village headmen or tribal leaders;
- Leaders (chairmen, directors) of local cooperatives, other community-based organizations, local NGOs, and local women's groups;
- Politicians and local government officials;
- School teachers;
- Religious leaders.

3.3.2.7 Engage with stakeholders in their own community

It is generally better to engage stakeholders in their own communities, for the following reasons:

- It lends transparency to the process. Community members can witness the process and stay informed about what is being discussed on their behalf, and what has been agreed at the close of consultation or negotiations;
- It increases accountability of local leaders. Community members will know what they are entitled to demand, and they will be able to monitor its delivery and avoid corruption;
- It sends the message that the agency values the input of communities enough to travel there and spend time there;
- It contributes to community members' feeling of ownership over the engagement process. Community members say that the opportunity to have input into public meetings gives them a sense of having a role in the outcome of decisions;
- Finally, it allows community members to identify their own representatives, preventing illegitimate representatives from claiming that they speak for communities.

3.3.2.8 Remember that government is a key stakeholder

Concerned government agencies at different levels constitute important stakeholders in most development programs and projects, both as regulators and as potential contributors to and facilitators of project development.

3.3.2.9 Work with representative and accountable CSOs and NGOs

Non-governmental organizations (NGOs) and community-based organizations (CBOs), particularly those who represent communities directly affected by a project, can be important stakeholders for companies to identify and engage on a proactive basis. Recognize internal stakeholders (management, technical staff and employees) as a good channel of communication

3.3.2.10 Recognize internal stakeholders (management, technical staff and employees) as a good channel of communication

The contribution of internal resources with local contacts in project-affected areas can also be a way to identify emerging issues and concerns of local communities.

3.3.3 Distinguishing CSO and NGO functions

Many CSOs and NGOs serve several functions, so it can be useful to specify their primary function so as to match organizations with the purpose of the communication activities. The assessment of representation CSOs and NGOs should be based on size, type and legitimacy:

- Who belongs to the organization?
- What are the criteria for membership (faith-based organization, Indigenous Peoples organization, etc.)?
- In what activities does the organization engage?
- Does it cater to members only (trade union, women's association, farmers association, etc.)?
- Does it take up action on behalf of a wider group (NGO, federation, umbrella organization, network, etc.)?
- What is the geographic and sectoral coverage of the organization?

CSOs and NGOs are classified in many different ways – by sector, focus of work, origin, scale, and level of formality, values or theoretical perspectives. CSOs and NGOs can generally be distinguished as follows:

3.3.3.1 Technical expertise CSOs/NGOs

Technical expertise CSOs typically include professional and business associations and academic and research institutions. The selection should be based on relevant expertise and knowledge of issues and legitimacy of member's expertise.

3.3.3.2 Advocacy CSOs/NGOs

Advocacy CSOs typically include trade unions, NGOs, human rights groups, news/media groups, etc. The selection should be based on how actively a group is advocating issues, its capacity to mobilize and educate a constituency, its credibility, and its demonstrated interest in constructive engagement.

3.3.3.3 Capacity-building CSOs/NGOs

Capacity-building CSOs typically include foundations and CSO support and training organizations. The selection should be based on the issues associated with a proposed strategy or project.

3.3.3.4 Service-delivery CSOs/NGOs

Service-delivery CSOs typically include local, national or international NGOs, credit and mutual aid societies, local informal associations, etc. The selection should be based on the relation of service-delivery issues to the proposed strategy or project, as well as issues of representation may also come into play for some of these groups.

For the selection of representation CSOs and NGOs in the context of a development project, CSOs and NGOs should also be classified according to the degree in which they can perform the following six functions:

- **Representation**: Aggregate and present voices of groups of citizens;
- **Technical expertise:** Carry out research and provide advice;
- **Advocacy**: Advocate on particular issues (ex: human rights, HIV/Aids prevention, gender issues, resource conservation, improved agricultural practices, etc.);
- **Capacity-building:** Provide support to community groups and other CSOs to strengthen their capacity to function and mobilize resources;
- **Service-delivery:** Support the implementation of development projects or provide services directly to the public;
- **Social functions:** Foster collective social activities (recreational, etc.).

3.3.4 Stakeholder analysis

Stakeholder analysis consists in developing and regularly updating regional, national and local profiles of the civil society potentially affected by the institution's activities. According to the World Bank's *Consultation Sourcebook* (2007), three key elements should be considered in analyzing how to work with civil society when planning and conducting a consultation process:

- the enabling environment;
- historical perspectives and trends; and
- characteristics of civil society.

3.3.4.1 Enabling environment

The enabling environment refers to the overall institutional environment in which an institution operates, e.g., the extent to which it permits people to associate, mobilize resources, express opinions, access information and negotiate. It is important to identify mechanisms under which CSOs may express views within a given culture or system. Established laws and traditions may limit the expression of civic views, and thereby affect the techniques and tools used for consultation. Financial constraints may also have to be overcome in order to ensure the participation of CSOs in communication activities.

3.3.4.2 Historical perspective and trends

An understanding of the historical perspectives and trends of how civil society and CSOs have changed over time can help agency to better interact with CSOs during project communication and consultation activities.

3.3.4.3 Characteristics of civil society

Information from stakeholder analysis required for project communication and consultation activities includes:

- Size and geographic coverage of CSOs, presence of umbrella organizations or networks, etc.;
- Nature of representation and constituency of CSOs;
- Scope and focus of actions of CSOs.
- The information from stakeholder analysis also helps to determine:
- Consultation techniques and tools to be used;
- Geographical focus of the consultations;
- Target audiences;
- How best to disseminate information about the consultations, etc.;
- Monitoring and follow-up from one cycle of an iterative consultation process (participation loop) to another.

3.4 Management of a public participation process

3.4.1 Key elements of a public participation plan

According to the World Bank's Consultation Sourcebook (2007), key elements in the design of a public participation plan can be summarized as follows:

- Clarifying objectives and parameters of a specific consultation process;
- Ensuring the commitment of participants and fostering ownership of the process;
- Defining respective roles and responsibilities in the process;
- Understanding the political landscape and adapting to it accordingly;
- Budgeting resources and allocating time;
- Allowing adequate preparation time and resources;
- Building on existing foundations.

3.4.1.1 Clarifying objectives and parameters of a specific consultation process

Consultation objectives describe what is to be achieved as a result of the consultation process. They focus on expected results – a clear end product. Consultation objectives and parameters are specific, in contrast to the general purposes of consultations. Relevant questions include:

- What is the desired outcome of the consultation?
- Who will manage and/or facilitate the consultation?
- What financial and human resources are available for the consultation?
- What information is required by civil society to ensure they are capable to participate in a capable and informed way?
- What information is required from civil society for effective participation in consultations?
- Who will be consulted and who will be affected by the decisions resulting from the consultations?
- What other related activities and consultations have occurred recently or may be planned that might be taken into account? How can you avoid consultation fatigue?
- How will the information from the consultation be synthesized, analyzed and used?
- What will be the process for implementing decisions resulting from the consultation?
- How will the outcomes of the consultation and final decisions be conveyed to the participants and other stakeholders?
- How and when will an evaluation be carried out? What will be evaluated?

3.4.1.2 Ensuring the commitment of participants and fostering ownership of the process

The success of public communication and consultation activities is largely dependent on the extent to which concerned communities, stakeholders and government authorities are committed to the public participation process. The active support of top management and a commitment to incorporating stakeholders' concerns is required to ensure that consultation goals are met. Clear signals from top management at the outset will also help in the negotiation and decision-making processes that lead to a final outcome.

3.4.1.3 Defining respective roles and responsibilities in the process

The public consultation plan should set out the management arrangements, including the roles and responsibilities for decision-making authority, reporting structure and mechanisms, overall coordination, logistics, and communication and outreach. National or local public agencies and CSOs can be invited to act as partners in the consultation process, including in the design of the public participation plan, in the facilitation of the consultation process and in the analysis of local inputs from the consultation

3.4.1.4 Understanding the political landscape and adapting to it accordingly

The public consultation plan must be adapted to the local political landscape and should be supported by an analysis of the legislative framework and what it says about the rights of the population to be consulted, as well as the level of public access to information. In some countries an adequate public consultation framework may be lacking, but there may be other cultural or informal ways in which people participate in decision making. Some country environments are not conducive to an extensive consultative process and these should be explored.

3.4.1.5 Budgeting resources and allocating time

It is critical to ensure that adequate financial and human resources and time are allocated for the consultation process, as well as for any follow-up activities. The budget should include adequate

provision for travel and expenses for CSO participants if required. It should also include provisions for skilled facilitators and interpretation. The level and type of financial resources and human capacity resources determine what kind of activities can be planned. If resources are scarce, it is important to consider different options, set priorities, and acknowledge limits.

3.4.1.6 Allowing adequate preparation time and resources

Stakeholders must be involved reasonably early in the consultation process. It is important not to consult so late in the process that stakeholders' views cannot influence the outcome. A period of at least two to three months must be allowed for planning and preparation of the consultations.

The planning and preparation include:

- Designing the plan and identifying methodologies;
- Inviting participants with enough lead time to prepare;
- Translating consultation inputs into local languages;
- Disseminating information at least 3 weeks before time;
- Consulting stakeholders through a variety of input methods;
- Analyzing stakeholder comments, writing a report and providing feedback.

3.4.1.7 Building on existing foundations

It is important to build on existing public communication and consultation processes at the country level when designing a public participation plan. Previous consultations may also be useful to identifying potential conveners, facilitators, and participants.

3.4.2 Adapting the public participation plan to different stages of the project cycle

The design of a public participation plan must be based on the overall project cycle and planning and implementation process such as preliminary studies (regional level scoping studies), pre-feasibility studies (local level preliminary studies), feasibility studies (local level overall design studies), detailed design and implementation studies, and monitoring and follow-up studies during implementation. The types of project communication activities (information disclosure, consultation, participation) vary according to each key stage of the process (see Box 2).

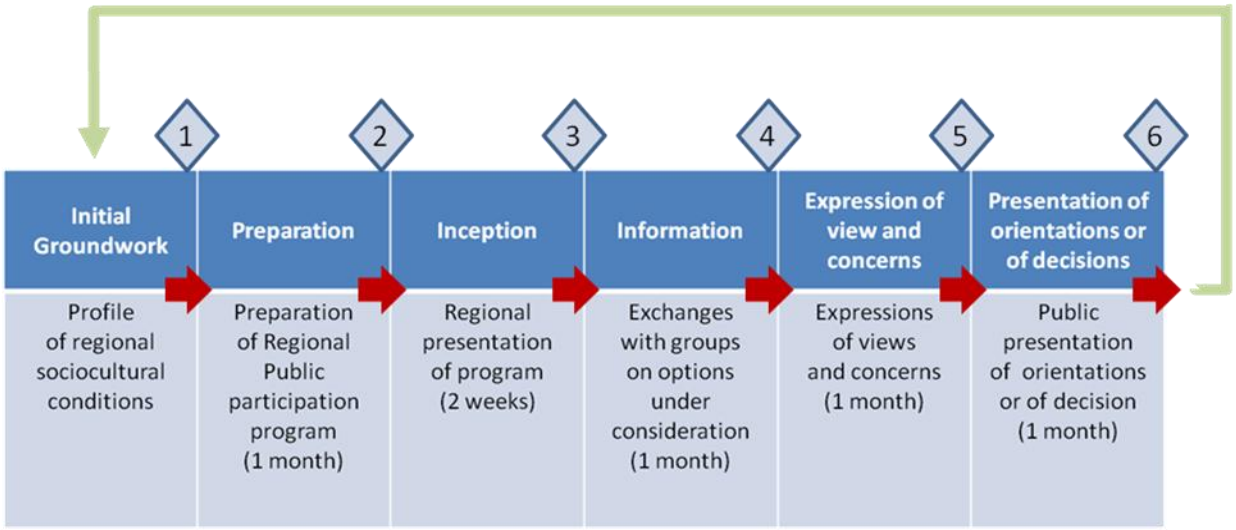
Public consultation can be effective – and different – at five different levels of the project cycle (IA2P Spectrum of Public Participation):

- **Inform level** (the goal is to provide information to stakeholders and announce the planned consultation process);
- **Consult level** (the goal is to seek feedback from stakeholders on development proposals)
- **Involve level** (the goal is to engage with stakeholders to generate new ideas on proposals through dialogue);
- **Collaborate level** (the goal is to partner with stakeholders in each aspect of the decision-making process);
- **Empower level** (the goal is to place decision-making in the hands of the stakeholders).

The design of a public participation plan must be based on the overall project cycle and planning and implementation process, namely preliminary studies (regional level scoping studies), pre-feasibility studies (local level preliminary studies), feasibility studies (local level overall design studies), detailed design and implementation studies during project planning and monitoring and follow-up studies during implementation.

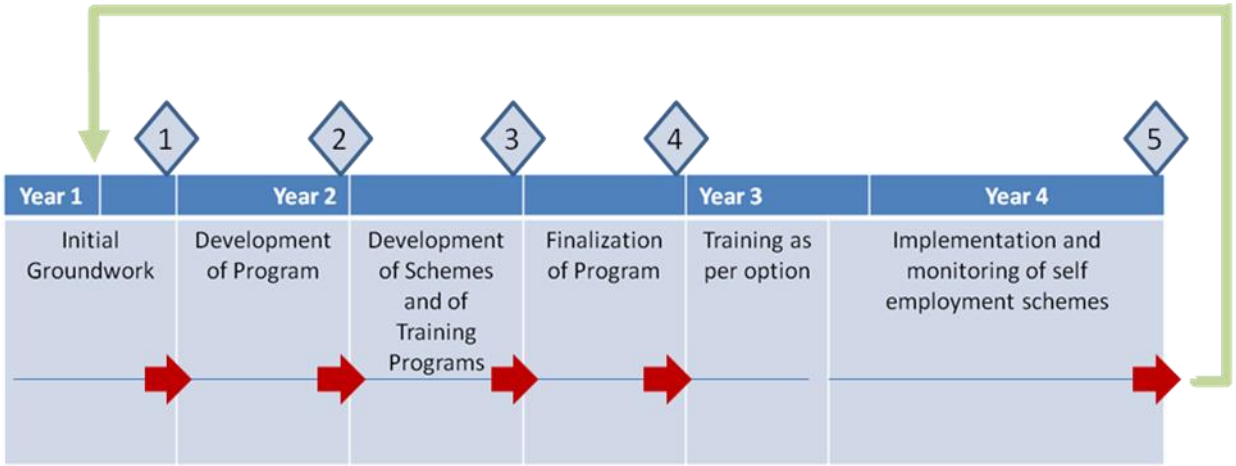
Figure 3 identifies key stages of a North American Regional Public participation program (Hydro-Quebec).

Figure 3 Key stages of a North American Regional Public participation program (Hydro-Quebec)



The types of project communication activities (information disclosure, consultation, participation) vary according to each key stage of the process. Figure 4 identifies key stages of a Public participation plan for an involuntary resettlement program developed for the National Thermal Power Corporation (NTPC) in India. These key stages are based on an E7 Network Training program in Public Consultation developed in the mid 1990s in collaboration with the World Bank.

Figure 4 Key stages of a Public participation plan for a resettlement program in India (NTPC)



Figures 5 to 9 that follow summarize the contents of each of the key stages of the Public participation plan developed for an involuntary resettlement program in India.

Figure 5 Stage 1 of Public participation in a rehabilitation project for oustees below poverty line

1 ***Public participation after initial groundwork***

Information	Consultation	Techniques and tools	Reports
• Presentation of project objectives and of the purpose of the meetings • Presentation of R & R Committee • Presentation of results of the baseline socio-economic survey • Presentation of the various stages of the Public consultaltion program	• Representation of outsees on the R & R Committee • Evaluation of ongoing infrastructure program in the resettlement and non-resettlement colonies • Presentation of the various stages of the Public consultaltion program	• Formal meetings with affected and concerned groups in each of the colonies • Audio aids such as exhibits	• Stage 1 Public participation reports

Figure 6 Stage 2 of Public participation in a rehabilitation project for oustees below poverty line

2 ***Public participation after development of rehabilitation program***

Information	Consultation	Techniques and tools	Reports
• Review of project objectives and of the purpose of the meetings • Presentation of the results of Stage 1 of the public hearings • Presentation of possible rehabilitation options and of options considered the most appropriate by the R & R Committee	• Comments of the results of Stage 1 of the public hearings • Evaluation of rehabilitation options under consideration	• Formal meetings with affected and concerned groups in each of the colonies • Audio aids such as exhibits	• Stage 2 Public participation reports

Figure 7 Stage 3 of Public participation in a rehabilitation project for oustees below poverty line

3 ***Public participation after development of detailed schemes***

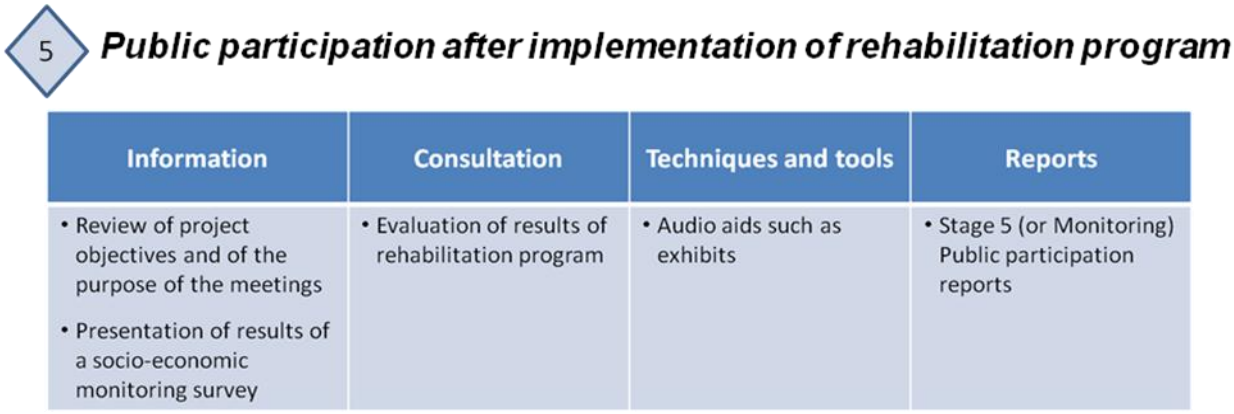
Information	Consultation	Techniques and tools	Reports
• Review of project objectives and of the purpose of the meetings • Presentation of the results of Stages 1 and 2 of the public hearings • Presentation of detailed self employment schemes and of training programs under consideration by the R & R Committee	• Comments of the results of Stages 1 and 2 of the public hearings • Selection and approval of detailed schemes and training programs	• Formal meetings with affected and concerned groups in each of the colonies • Audio aids such as exhibits • Demonstration projects for each of the proposed schemes	• Stage 3 Public participation reports

Figure 8 Stage 4 of Public participation in a rehabilitation project for oustees below poverty line

4 ***Public participation after finalization of rehabilitation program***

Information	Consultation	Techniques and tools	Reports
• Review of project objectives and of the purpose of the meetings • Presentation of the results of Stages 1, 2 and 3 of the public hearings • Presentation of the implementation process for the selected self employment schemes and training programs	• Comments of the results of Stages 1, 2 and 3 of the public hearings • Comments on the implementation process for the selected schemes and training programs	• Formal meetings with affected and concerned groups in each of the colonies • Audio aids such as exhibits	• Stage 4 (or Final) Public participation reports

Figure 9 Stage 5 of Public participation in a rehabilitation project for oustees below poverty line



Box 2: Planning and implementation of regional stakeholder consultations for NELSAP's strategic social and environmental assessment of power development options[1]

Following dialogue between the Nile equatorial lakes countries and the World Bank, the need for a comprehensive strategic regional assessment of different power options was formulated for the region, building on the ranking study of hydropower options identified by the Nile Equatorial Lakes Subsidiary Action Programme (NELSAP). The approach to undertake a broad-based power options analysis, including issues to be covered in a strategic/sectoral, social and environmental assessment, was agreed by power experts from the Nile equatorial lakes region in May 2002. The objective of this assessment was twofold:

- To prepare the World Bank and other investors for possible requests to support the NELSAP power development programme;
- To assist the riparian countries of the Nile equatorial lakes region in their selection of power supply options (including interconnections) by contributing to informed and transparent decision-making before major funds to investigate individual options are committed.

The assessment was carried out between 2003 and 2007 and covered the current situation in the six countries of the region (Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania and Uganda). Through a review of previous studies and extensive stakeholder consultations, the assessment was able to compile a strong set of recommendations with 330 megawatts capacity (one 30-megawatt gas facility and three hydro schemes for the balance) at four different locations. Recommendations were made for further studies on other generation options.

A regional stakeholder consultation process developed for the study was supported by an analysis of relevant stakeholders in each of the concerned countries (relevant government agencies, research institutions, civil society organizations, environmental and social groups) and was developed in coordination with concerned government authorities. Country stakeholder representatives were invited to participate in four planning workshops for the study over a period of two years. Concerned parties were also provided with updated Information Bulletins and encouraged to interact with the project website.

[1] UNEP - DDP Secretariat. 2007.

3.4.3 Socio-political studies in the public participation process

Project communication involves not only information and consultation with external stakeholders, but also the collection, processing and consideration of socio-political data obtained at the community level, and an assessment of their implications for project design and implementation.

During the project cycle, the sequence of socio-political reports to be produced follows the iterative steps of the Public participation loop identified in the Public participation plan. This means that each report serves as an input to the next step in the process.

Socio-political reports produced within an iterative consultation cycle may include the following:

- A socio-political inventory (or baseline) report, which is conducted before the planning of the public participation plan;
- A stakeholder analysis (or Public participation) report;
- A socio-political summary report;
- A socio-political follow-up report, which allows continuous updating of the socio-political data.

Elements that may be included in these reports are presented in Table 1.

3.5 Establishing a data management system

Project communication requires the establishment of a data management system in order to keep a close control over the communication process by tracking of obligations, opportunities and risks. Such a system ensures that all information and consultation activities conducted by the agency are properly coordinated (through the tracking of agreements and commitments, information disclosure activities, project communication activities, etc.).

The data management system makes the information required to design public participation plans readily accessible to in-house staff. Such information typically includes regional, national or local CSO profiles, public consultation reports, etc. A data management system can also foster the development of an increasingly sophisticated information base on the variety of needs and concerns of civil societies affected by the agency's activities, including gender-related aspects, public health aspects, socio-cultural aspects, socio-economic aspects, geographic variations, etc.

Another benefit of a data management system for project communication is that it can provide a platform for tapping the knowledge of public agencies and CSOs that work at the community level. It can also help to disclose and to share information in order to increase transparency, public understanding and public involvement in decision-making.

A data management system for project communication can constitutes a valuable input to internal and external development project planners and designers (as a key element of Integrated Water Resources Management). It can also serve as the basis for organizing regional or local information-sharing and participatory planning workshops for IWRM.

The requirements for a data management system are summarized as follows:

- It should be managed on a permanent basis by qualified and specially designated staff;
- It should be accessible to all internal management and technical personnel and should also be accessible (as needed) to CSOs and local interest groups (in English, French and other languages as required);

- It should be supported by a Geographic Information System (GIS) combining computerized socio-economic (or socio-cultural) data compilation and analysis and computerized mapping at regional, national and local levels;

Table 1 Elements that may be included in the socio-political studies in the project communication process

Socio-cultural inventory (or baseline) report	Stakeholder analysis (or Public participation) report	Socio-cultural summary report	Socio-cultural follow-up report
• Introduction (mandate, description of the intervention, objectives, approach and methodology) • A summary overview of the project context • An analysis of the socio-cultural conditions in concerned communities • Report highlights and recommendations	• An overview of the project communication activity • An analysis of views and concerns expressed by CSOs and interest groups and of local perceptions regarding the project • A presentation of requests expressed by stakeholders and of commitments made by the project proponent • A summary of views and positions expressed and of proposed options or scenarios • A review of media coverage • An analysis of social perceptions regarding the proposed intervention • Identification of key issues and tracking of their evolution • Preparation of information sheets by key issue and organization • Follow-up of project-related commitments • Follow-up of project-related grievances • Report highlights and recommendations	• A summary overview of the project context • An overview of the public participation approach applied • Information sheets summarizing changes observed in the socio-cultural context and summary table • Integration of community priorities and concerns into project design, particularly in terms of options and scenarios • A summary of commitments made to stakeholders and of grievances expressed by stakeholders • Report highlights and recommendations	• A summary overview of the project context • An overview of public participation approaches applied • Updated information sheets summarizing changes observed (CSOs and interest groups, community priorities and concerns, key issues) and summary table • Integration of community priorities and concerns into project design, particularly in terms of options and scenarios • Updated summary of commitments made to stakeholders and of grievances expressed by stakeholders • Report highlights and recommendations

- It should be supported by a user friendly and informative Website that frequently requests opinions of CSOs and local interest groups on proposed interventions (in English, French and other languages as required);
- It should provide access to a commitments register and to a register of grievances for regular status updating;
- It should be easy to use for tracking particular issues at regional, national and local levels on the basis of indicators (e.g. socio-cultural or socio-economic issues or policy, program or project-related issues).

3.6 Concluding note

The consultation process requires resources – time, expertise and funding. These costs should be seen as an investment for better implementation of projects and inclusive and responsive policies. Not consulting with civil society may create higher costs, through project or policy failure in the short term, as well loss of trust, legitimacy, and policy effectiveness in the long term (World Bank, 2007. *Sourcebook on Consultation with Civil Society*).

4. TECHNIQUES AND TOOLS FOR PROJECT COMMUNICATION

4.1 Communication-based Assessment (CBA)

A visual tool that can be used to illustrate the purpose of CBA is the *Johari Window* (World Bank, 2008a):

Window 1: OPEN KNOWLEDGE **What we know and They know**	**Window 3: THEIR HIDDEN KNOWLEDGE** **What They know and We do not know**
Window 2: OUR HIDDEN KNOWLEDGE **What we know and They do not know**	**Window 4: THE BLIND SPOT** **What neither We nor They know**

In a development initiative, the first three windows represent the problem-analysis phase, while the last is the problem-solving phase. CBA is mainly concerned with the first three windows.

The *Johari Window*, and other tools such as the *Windows of Perceptions*, provide models for: 1) highlighting differences of perceptions and expectations and 2) for engaging all parties in the search for the best option or knowledge leading to change

Given their usefulness, CBA tools should be applied from the onset of the project planning process. Available tools in the CBA toolbox vary according to time and resources required and include (World Bank, 2008a):

- **Interviews and focus group discussions,** coupled with the review of secondary data, are usually the most useful tools for acquiring quick, first hand knowledge (the "why" of the situation);
- **Surveys, perception studies and baseline studies** are done to verify perceptions and opinions or to refine the initial findings and to assess the extent of change needed (the "what" and the "how" of the situation);
- **Baseline studies** are carried out to develop indicators at the planning stage and for monitoring and evaluation at the implementation stage;
- **Participatory Rural Communication Appraisal** (PCRA) includes a set of methods and techniques, including: *Sketch map*, *Transect walk*, *Time lines*, *Seasonal calendar*, *Problem/solution tree*, *Ranking*, *Windows of perceptions*, *Livelihood maps*, *Venn diagrams* or *Linkage mapping* and *Gender analysis.*

4.2 Design of communication strategy

A **strategy** is about achieving specific, feasible, and clearly stated objectives, with the available resources, within an established timeline;

A **communication strategy** is a well-planned series of actions aimed at achieving specific objectives through the use of communication methods, techniques and approaches (World Bank, 2008a);

The definitions of strategy and of communication strategy highlight the importance of defining **SMART objectives** (specific, measurable, achievable, realistic and timely).

The main steps of communication strategy design can be summarized as follows (World Bank, 2008a):

- **Definition of SMART objectives** (reviewing focal problem and its causes);
- **Definition of primary stakeholders and secondary audiences and stakeholders** (define and probe main groups of interest or audiences, including those indirectly affected by the issues);
- **Definition of type/level of change** (define if change is related to awareness, knowledge, attitudes, behaviors, mobilization, collaboration, or mediation);
- **Definition of communication approaches or tactics** (select the most effective communication approaches – linear or interactive model);
- **Select channels or media** (select most appropriate media for primary and secondary stakeholders);
- **Design messages or content topics** (define key content/messages and the most effective way to package them);
- **Definition of expected results once the strategy is carried out** (set goals for primary and secondary stakeholders)

The type of method or approach to be used in designing a communication strategy depends largely on the complexity of the objectives. The following list illustrates some of the most commonly used approaches (World Bank, 2008a):

- **Social marketing** (this approach is widely used to promote health practices);
- **Advocacy** (this approach is mainly applied to promote a specific issue or agenda, generally at the national level);
- **Information dissemination and campaigns** (this approach is largely based on diffusion models through media campaigns at the national or local levels, and usually makes use of a mix of different media);
- **Information, education and communication – IEC** (this refers to a broader set of approach aimed at disseminating information and educating large audiences);
- **Institutional strengthening** (this is directed at strengthening the internal capacities of an organization);
- **Community mobilization** (this approach implies a systematic effort to involve the community to take active part in the resolution of specific issues related to their well-being);
- **Nondirective participatory communication** (this occurs when two-way communication is used not only to assess the situation but also to jointly define objectives and design strategy).

In many instances, multi-media campaigns have been demonstrated to be more effective than one-medium campaigns in achieving intended results (World Bank, 2008a).

Often, radio is the preferred medium in rural settings, but, except in the case of the many community radios that use it in a more participatory way for development-oriented purposes, it has similar limitations to television. Whatever channel is selected, it is important to have a sound rationale for the selection.

Available tools in the communication strategy design toolbox include (World Bank, 2008a):

- **Planning methods** such as logical framework analysis (logframe), objective-oriented project planning and situation analysis framework, that are used to define project management and related communication objectives;

- **Five Management Decisions (FMD) template**, which is used by the World Bank and is based upon five basic communication concepts: WHO, says WHAT, in WHICH channel, to WHOM, with what EFFECT.

The Five Management Decisions template is illustrated below (World Bank, 2008a)**:**

Management Objective (and communication objective)				
Audience	**Behavior**	**Messages**	**Channels**	**Evaluation**

Discussions concerning the Five Management Decisions template during a five day NBI Training program on Project Communication and Reporting held in May 2010 in Khartoum (Sudan) led to the following modifications and/or clarifications**:**

	Management Objective (and communication objective)				
Audience or stakeholders	**What we want to accomplish**	**Messages**	**Barriers to overcome**	**Channels and media**	**Evaluation and indicators**
Primary stakeholders					
Category 1					
Category 2					
Etc.					
Secondary stakeholders					
Category 1					
Category 2					
Etc.					
Other stakeholders					
Category 1					
Category 2					
Etc.					

4.3 Implementing the communication program

The Communication Action Plan can be summarized as follows (World Bank, 2008a):

- **SMART objectives** (review and confirm objectives – ex: vaccinate 70% of children under 5 in zone X);
- **Audiences/stakeholders** (who are the audiences or groups being addressed – ex: primary (mothers), secondary (sons/daughters, fathers);

- **Activities – and approaches** (what are the activities needed – media production, message design – information campaigns based on audiovisual and printed materials, field visits and meetings;
- **Resources needed – human and material** (experts in audiovisual design and production, message design, etc. – ex: design information campaign, pretest and produce materials, provide training to health promoters);
- **Party responsible – action promoter** (source or initiator responsible for the action – ex: field officers of the Ministry of the Environment);
- **Time frame** (the sequence and time needed for each activity – ex: 6 months to design the campaign, 2 months for training, 6 months to implement, 8 months for field visits and meetings);
- **Expected outputs** (what is expected by the communication initiative – ex: 70% of children under 5 being vaccinated).

4.4 Communication monitoring and evaluation

Key issues related to **communication monitoring and evaluation** can be summarized as follows (World Bank, 2008a):

- **Diffusion (one-way) approaches:** the effects of the impact of diffusion approaches are usually felt after the implementation phase, which makes the evaluation easier as it ca be based on a pre-assessment and a post-assessment);
- **Dialogic (two-way) approaches:** the effects of the impact of dialogic approaches are more difficult to evaluate as they may affect the process from the very beginning.

4.5 Overview of development communication tools

There are generally three types of tools that can be used for engaging stakeholders in decision-making (International Association for Public Participation - IA2P):

- Those that allow sharing of balanced and objective information;
- Those that support the gathering of data from stakeholders that then needs to be aggregated and processed into useful information for decision-makers;
- Those that bring people together so they can exchange information, provide feedback, comment on proposals, or participate in decision-making.

Appropriate tools need to be selected once the public consultation objectives, the stakeholder preferences, languages and cultures, the resources available, and the complexity of the project have been defined. Typically, the tools most used by water resource management agencies for projects with impacts on the environment and local communities include:

- **Tools to share information**: the tools information most commonly used by water resource management agencies include media advertising, radio or television information programs, newsletters, open house displays, websites, briefings, public exhibitions, etc.;
- **Tools to gather and aggregate data**: the most commonly used by water resource management agencies include: surveys, comment forms, interviews, focus groups, public hearings and review panels;
- **Tools to allow interaction**: the most commonly used by water resource management agencies include: workshops, discussion groups, public or community meetings, focus groups, ongoing stakeholder committees or working groups.

4.6 Examples of communication tools used for IWRM

In order to enable them to participate, stakeholders must be adequately informed and consulted at each stage of the project planning process. There are a wide variety of tools that can be used for project communication. The tools used must, of course, be adapted to local linguistic, cultural and educational conditions. Tables 2 and 3 give an indication of the various information and consultation (or communication) tools that are in use in North America.

Table 2 Information tools used for public participation

Meetings	Media relations	Support materials
• Informal meeting or contact • Formal meeting with groups • Public meeting • Open house • Exhibit	• Press release • Press conference • Press kit • Newspaper insert • Feature article • Advertorial • TV or radio interview • TV or radio spot	• Summary report • Information materials • Newsletter • Photo, slide, transparency, illustration, scale model, plan • Video

Table 3 Communication tools used for public participation

Interactions with groups	Support materials
• Meeting • Task force, joint committee • Focus group • Consultative group • Forum, debate • Individual interview • Brainstorming • Collaborative process • Surveyor poll • Referendum	• Information materials • Consultation guide • Toll-free line • Call-in program • Liaison office • Field trip

Illustrations 1 and 2 provide examples of an information bulletin and of a project website produced for a regional strategic/sectoral environmental and social assessment (SSEA) of power generation and transmission options conducted for NELSAP. Illustration 3 provides an example of a World Bank Information Brief for the regional SSEA.

Illustration 4 and Appendix A provide examples of a Hydro-Québec Project Implementation Newsletter and of an information bulletin for the Eastmain-1-A and Rupert diversion project.

SSEA (Strategic / Sectoral Social & Environmental Assessment)

Power Development Options in the Nile Equatorial Lakes Region – Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania and Uganda

Illustration 1 Public Information Bulletin No. 7 – SSEA of Power Development Options in the Nile Equatorial Lakes Region

Public Information Bulletin No. 7
SSEA Stage 2 – November 2005

Project Status (July to November 2005)

A Fourth Stakeholder Consultation Workshop was held on June 21st and 22nd 2005 to review the contents of the SSEA Stage II Draft Final Report with the Project Steering Committee (PSC) and with stakeholder representatives from the six countries of the Nile Equatorial Lakes region. The main subjects of discussion in the 4th workshop were the following:

- Regional power needs assessment, including definition of the "Transformation scenario";
- Review of criteria, risks and indicators for comparison of power options;
- Weighting of criteria and risks for comparison of power options;
- Review of results of comparison of power options;
- Definition of strategies for the selection of power investment portfolios;
- Assessment of cumulative impacts and identification of mitigation measures.

The Consultant submitted the Final Report of SSEA Stage II after the 4th workshop. Following additional comments, the Consultant produced a Revised Final Report for Stage II of the SSEA in November 2005. The Revised Final Report consists of the following 3 documents:

- *Synopsis of the Final Report (Sommaire du rapport final);*
- *Main Report (Volume 1 and Volume 2: Appendices);*
- *Final Stakeholder Consultation Report.*

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End of Fourth Stakeholder Consultation Workshop in Mombasa (June 2005)

Main Outputs of the Fourth Stakeholder Consultation Workshop

Participants in the 4th workshop discussed and approved with minor changes the revisions made in the Draft Final Report to the list of criteria, project risks, indicators and weightings for the comparison of power options. The list of criteria and indicators retained at the end of the 3rd workshop were substantially revised by the Consultant on the basis of the following principles:

- Criteria that do not lend themselves to being assessed on the basis of a ratio scale (taking into account the magnitude of impacts) are removed from the Multi-Criteria Analysis and subjects related to these criteria are addressed separately in the assessment of project risks and/or in the cumulative impacts assessment;
- Criteria retained in the Multi-Criteria Analysis are assessed quantitatively on the basis of one indicator only.

As a result, the list of criteria and indicators retained for the Multi-Criteria Analysis was reduced to three categories of criteria (Cost, Socio-economic and Environmental) and to 11 criteria and indicators (refer to Table 1). The remaining 11 criteria retained after the 3rd workshop were considered on a qualitative basis in the assessment of project risks and/or in the cumulative impacts assessment (refer to Table 2).

Table 1 Revised evaluation criteria, Indicators and weights

Criteria	Indicators
Category: Cost	
Economic Viability	Unit cost of firm energy per kWh over the projected life of the facility (US¢/kWh), taking into account: - Direct investment – plant and power transmission - Engineering and owners costs - Interest during construction - Operating and maintenance costs - Environmental and social mitigation costs (included in the civil works contingency amount) - Multi-purpose benefits (irrigation, fisheries) – treated by cost sharing for the dam - Contingency allowance for uncertainties (e.g. technical, financial and geological risks) Weight: 100%
Category: Socio-economic	
Impacts Due to Population Displacement	Number of persons affected by project infrastructure and ancillary facilities (People/GWh) Weight: 15%

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Criteria	Indicators
Promotion of Rural Electrification (in place of *Contribution of Project to Poverty Reduction*)	Number of persons living in a 10 km radius of the power station and in a 10 km wide corridor along the transmission line between the option and the main transmission grid (People/GWh) Weight: 35%
Socio-economic Impacts on the Downstream Reaches	Number of persons living in a 1 km corridor along the river with altered flow downstream of the dam (People/GWh) Weight: 15%
Land Issues	Area required for project infrastructure, including reservoir and transmission facilities (ha/GWh) Weight: 35%
Criteria	**Indicators**
Category: Environment	
Impact on Resource Depletion	Energy payback ratio: ratio of energy produced during the normal life span of the option divided by the energy required to build, maintain and fuel the generation equipment. This indicator is a measure of the global pressure of an option on the environment Weight: 25%
Impacts of Greenhouse Gas Emissions	Net CO_2 equivalent emissions over the life cycle of the project (t/GWh) Weight: 10%
Impacts of Air Pollutant Emissions on Biophysical Environment	SO_2 equivalent emissions over the life cycle of the project (t/GWh) Weight: 10%
Land Requirements	Area required for project infrastructure, including reservoir and transmission facilities (ha/GWh) Weight: 25%
Waste Disposal	Land area required for ash disposal (ha/GWh) Weight: 5%
Environmental Impacts on the Downstream Reaches	Length of river with altered flow downstream of the dam (km/TWh) Weight: 25%

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Table 2 Revised project risks and weights

Risks	Factors Considered in Assessing Risks
Risks of Opposition from External or Internal Groups	- Potential for significant population resettlement - Potential impacts on unique habitats as a result of reservoir impoundment or hydraulic modifications downstream of the dam - Potential for significant increased risks to public health - Potential impacts on cultural, historical and religious sites - Potential impacts on indigenous communities Weight: 11%
Risks of Impacts on Unique Habitats as a Result of Reservoir Impoundment or Hydraulic Modifications Downstream of the Dam	- National parks, Ramsar sites, etc. - Scenery of exceptional beauty Weight: 15%
Increased Risks to Public Health	- Risks of malaria and bilharzia for hydroelectric projects and risks of pulmonary diseases for thermal projects Weight: 15%
Risks Related to Institutional and Legal Framework	- Option located in a country with a weak framework or one whose framework has been affected by recent social unrest - Option that have a direct impact on two or more countries Weight: 11%
Use of Local Resources	Rate of use of local sources of energy (renewable and non renewable) Weight: 11%
Gestation Period	Minimum lead time before the project can be commissioned, including time for further investigations, decisions, design, tendering and construction Weight: 7%
Risks	**Factors Considered in Assessing Risks**
Risks of Sedimentation	Expected sediment load in river at project site Weight: 7%
Hydrological Risk	Historical hydrologic record Weight: 7%
Financial Risk	- Risk of not being able to attract sufficient financing - Risk of financial over-runs Weight: 15%

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Participants in the 4th workshop reviewed the assumptions underlying a "Transformation" load forecast scenario in the Nile Equatorial Lakes region. It was agreed: a) that a Transformation scenario was required to indicate the annual growth rates required to pull the region out of poverty within the 15 year time horizon of the project; and b) that a 15% annual growth rate hypothesised for the period between 2010 and 2020 should serve as a benchmark. This would allow for 100% electrification of the region by 2020 with a per capita level of consumption of about 170 kWh per year, including industry and commerce.

Workshop participants also discussed possible power development strategies in view of the selection of power investment portfolios for the Nile Equatorial Lakes region. The results of group discussions were set out in a list of principles that are summarised hereafter:

- the regional power master plan should adhere to the "Least total cost principle" (cost of energy, environmental impact, social impact plus a credit for multipurpose benefits);
- the regional power master plan should ensure security of supply at national and regional levels through: a) technological diversification to minimise hydrological risks; and b) geographical diversification to ensure an equitable distribution of power generation facilities among the various countries;
- power investment portfolios should be considered on the basis of the following three load forecast scenarios: "Base Case", "High Growth" and "Transformation".

Highlights of SSEA Stage II Revised Final Report

Alternative Scenarios of Power Needs

A regional power needs assessment provides the fundamental input to the power planning process. It serves as a vital component for the subsequent consideration, evaluation and comparison of power generation options in the NELSAP region. Because of the high degree of uncertainty in the forecasting of electric power consumption for many years into the future, a range of forecasts is provided for the region as a whole – a base growth scenario and a range about this base (High and Low) that gets wider over the years. These were based in large part on existing forecasts (following critical review) which are built primarily on the extrapolation of historic growth of gross national product, and rate of electrification. An alternative very high growth 'Transformation' scenario was also considered.

As noted earlier, the load in 2002 was estimated at 1,690 MW. The forecasts for 2020 suggest that this would increase to 3,400 MW for the low load growth scenario, 4,700 MW for the base scenario, to 6,100 MW for the high scenario and to 10,500 MW for the transformation scenario (more than twice the base case forecast). The results of the regional load forecast are illustrated graphically in Figure 1. The relative contribution of each country to the total energy requirements and peak demand over time is illustrated for the base case in **Error! Reference source not found.**. The loads illustrated exclude any allowance for reserve margin.

Figure 1 Regional power needs assessment for the period 2005-2020

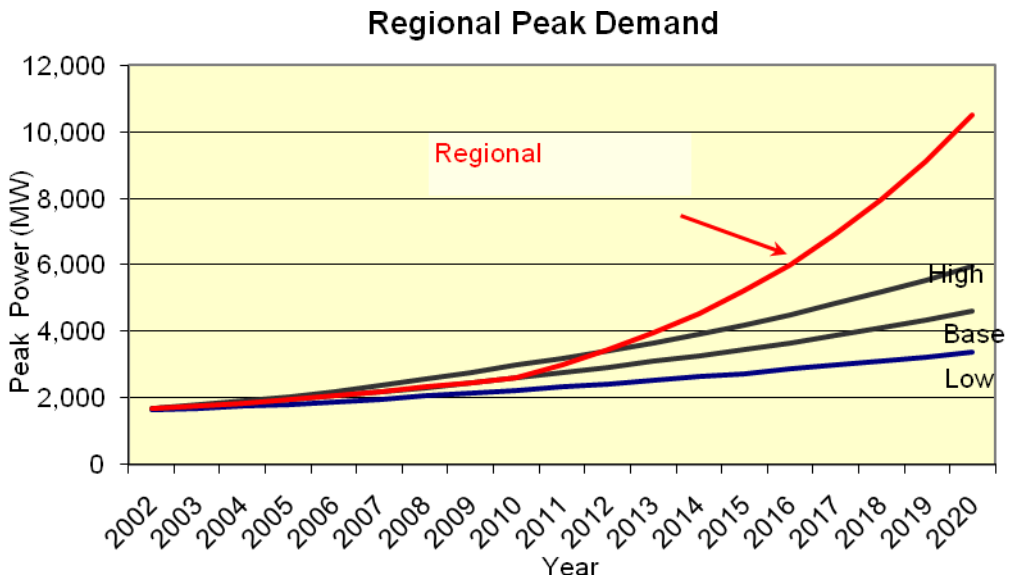
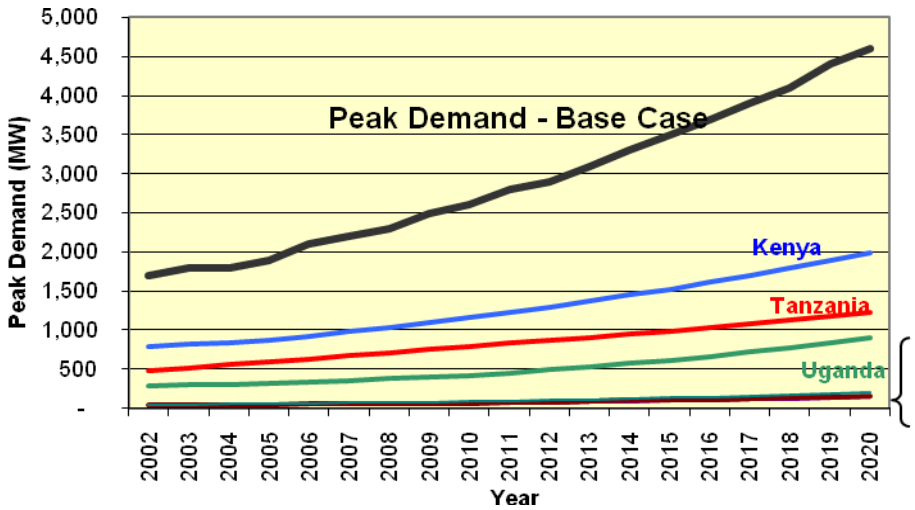


Figure 2 Regional power needs assessment per country – Base case



Screening of New Power Options

A screening analysis was done to eliminate those projects unlikely to be implemented – for a variety of reasons – during the planning period, which extended to 2020. Four screening criteria were established:

A. Quality and availability of data. This was effectively applicable only to the hydro projects which of their nature require relatively extensive investigations and detailed assessment. The general

principle adopted was to accept those projects with pre-feasibility level (or better) assessment reports available.

B. Options with no severe negative social or environmental impacts that were unlikely to be mitigated or offset.

C. Options with an estimated firm energy cost of less than 10c/kWh. This value was adopted after analysis showed that the majority of the hydro projects had a significantly lower cost. This is also a representative cost for coal-fired thermal plant at the coast – the ultimate back-up energy source.

D. Options above a minimum project size; set at 30 MW for the East African Community countries and at 10 MW for Burundi, Rwanda and the Eastern DRC. Smaller projects are unlikely to have any significant impact in the regional context and are hence not assessed in this regional SSEA.

The net result was to eliminate some 2,480 MW of hydro projects. All of the geothermal, natural gas, Mchuchuma coal and Lake Kivu methane capacity was retained. Table 3 shows the options that were retained based on the above criteria.

Table 3 New power options retained after screening

Name	Country	Installed capacity (MW)	Unit cost (ç/kWh)	Level of preparation
A: HYDROELECTRIC OPTIONS				
Ayago South	Uganda	234	3.14	Pre-feasibility
Bujagali (total)	Uganda	250	4.24	Feasibility
Kabu 16	Burundi	20	7.40	Feasibility
Kakono (High)	Tanzania (West)	53	7.67	Pre-feasibility
Kalagala 10 (total)	Uganda	450	4.29	Pre-feasibility
Karuma	Uganda	200	3.74	Pre-feasibility
Masigira	Tanzania	118	4.06	Pre-feasibility
Mpanga	Tanzania	144	3.03	Pre-feasibility
Murchison Falls - Base 2	Uganda	222	2.52	Pre-feasibility
Mutonga	Kenya	60	8.64	Feasibility
Ruhudji	Tanzania	358	3.74	Feasibility
Rumakali	Tanzania	222	4.32	Feasibility
Rusumo Falls (Full)	Tanzania (West)-Rwanda-Burundi	62	4.14	Feasibility/design
Ruzizi-III	Rwanda-DRC	82	2.86	Pre-feasibility
Songwe	Tanzania	330	3.43	Pre-feasibility
Stiegler Gorge (total)	Tanzania	1,200	3.05	Pre-feasibility
Upper Kinansi (storage)	Tanzania	0	--	Pre-feasibility
B: THERMAL OPTIONS				
Olkaria extens. Geothermal	Kenya	35	5.62	--

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Power Development Options in the Nile Equatorial Lakes Region – Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania and Uganda

Name	Country	Installed capacity (MW)	Unit cost (ç/kWh)	Level of preparation
Longonot Geothermal	Kenya	70	5.05	--
Suswa Geothermal	Kenya	70	5.05	--
Menengai Geothermal	Kenya	140	5.05	--
Mombasa Gas/LNG steam	Kenya	300	7.39	--
Mombasa Coal steam	Kenya	300	6.88	--
Mchuchuma Coal steam	Tanzania	400	6.50	--
Gas Turbine 60 MW	Tanzania	240	3.84	--
Gas Turbine 60 MW	Kenya	120	3.84	--
Combined Cycle 60 MW	Tanzania	120	5.13	--
Combined Cycle 60 MW	Kenya	180	3.93	--
Kivu Methane Engines	Rwanda-DRC	120	6.11	--
C: OTHER OPTIONS				
Wind Energy	Generic	30	8.33	--

Comparison of Selected Power Options

The power development options that passed through the screening process were then compared on the basis of costs and of environmental, socio-economic and risk issues. The process selected led to the ranking of power options on the basis of a mix of quantitative and qualitative criteria and consists of five steps:

Step 1: Identification of evaluation criteria and indicators;

Step 2: Determination of the relative importance of criteria;

Step 3: Ranking of options for each criterion using indicators;

Step 4: Ranking of options within each category of criteria taking into account the relative importance of criteria;

Step 5: Selection of options to be included in power development portfolios.

Stakeholder representatives participated mainly in the first two steps. In step 1, they rejected several criteria, added several and modified many of the remainder. In step 2 they changed the relative importance of several criteria. Steps 3 and 4 are the result of the application of steps 1 and 2; thus no involvement was needed. Step 5 was carried out by the Consultant.

Two groups of options to be considered in power development portfolios were identified at the end of the comparison of power options: 1) best evaluated options and 2) other options. These are presented in Table 4. In each group, options are listed in order of increasing cost.

Table 4 Options to be considered in power development portfolios

Best Evaluated Options	Other Options
Ruzizi III Karuma Ruhudji Gas Turbine 60 MW gas - generic x 4 units Combined Cycle gas x 3 units Bujagali Rusumo Falls Rumakali Geothermal – Generic Kivu methane engines 30 MW x 4 units Mombasa – LNG Kabu 16 Kakono Generic wind Mutonga	Murchison Falls Mpanga Stiegler's Gorge Ayago South Songwe Kalagala Masigira Mchuchuma – Coal steam Mombasa - Coal Upper Kinansi (storage)

The rationale for the allocation of each option to each group is presented below.

Best evaluated options

The **Bujagali** and **Karuma** hydroelectric developments on the Victoria Nile in Uganda, and the **Ruhudji** and **Rumakali** hydroelectric developments on the Ruhudji and Rumakali Rivers in Tanzania do not raise significant issues or dilemmas and can be considered among the best evaluated options.

The **Rusumo Falls** hydroelectric development on the Kagera River at the borders of Burundi, Rwanda and Tanzania is strategically placed in the region to: a) strengthen, electrically, the backbone transmission system required for the benefits of regional power planning to be enjoyed by all parties and b) meet the new loads from the mines in the Kagera District that are being implemented. The project would have a relatively rapid installation. However, it would affect a large number of people, some of whom may need to be resettled. The creation of the reservoir would have an impact on some 250 km^2 of wetlands.

The following options have a relatively overall good score against risks as well as socio-economic and environmental criteria. Since their cost is less than the threshold value of 10 ¢/kWh, they can be considered among the best evaluated options, assuming that the dilemmas they raise can be resolved satisfactorily:

- **Ruzizi III** hydroelectric development on the Ruzizi River: an agreement between Burundi, Rwanda and the D.R. of Congo for the development of this option could be reached on the basis of the SINELAC experience.
- **Kabu 16** hydroelectric development on the Kaburantwa River in Burundi and the **Kakono** hydroelectric development on the Kagera River in Tanzania: both options have a higher unit cost but they have a very good performance against socio-economic and environmental criteria. Besides, Kakono could incorporate an irrigation component.

- **Mutonga** hydroelectric development on the Tana River in Kenya: this option has the highest unit cost among selected options. It can be considered in the longer term but would require additional studies with regards to sediment trapping and downstream effects and the definition of reservoir operation rules taking into account power generation and controlled release of downstream floods.
- **Gas fired thermal stations** (including Kivu methane engines): despite their lower rank against environmental criteria, these options are the best ranked options among fossil-fuelled options and they have a good performance against project risks.
- **Geothermal** and **wind** options: despite a higher unit cost, these options can be considered among the best evaluated options because of their good performance with regards to project risks, environmental criteria and socio-economic criteria (except for their limited contribution to rural electrification).

Other options

Other options include:

- **Stiegler's Gorge** hydroelectric development on the Rufiji River in Tanzania: this option has a low unit cost and potential flood control and irrigation benefits. It could thus be considered as a long term candidate with appropriate mitigation measures with regards to downstream impacts and impacts on the Selous Game Reserve.
- **Murchison Falls** and **Ayago South** hydroelectric developments on the Victoria Nile in Uganda: these options also have a low unit cost but are located in the Murchison Falls National Park. They could be considered in the longer term with appropriate mitigation measures because the Ugandan legislation does not explicitly prohibit hydropower development in a National Park.
- **Songwe** hydroelectric development on the Songwe River at the border of Tanzania and Malawi: the irrigation and flood control benefits of Songwe could justify the development of this option provided it incorporates a well designed resettlement and rehabilitation plan and an agreement can be reached between Tanzania and Malawi.
- **Kalagala** hydroelectric development on the Victoria Nile: Because of cumulative impacts on tourism, only one of Bujagali and Kalagala should be implemented. As Kalagala performs less well than Bujagali in regards to cost, socio-economic criteria and project risks, it is included in the group of other options.
- **Coal-fired thermal options**: with unit costs of more than 6 ¢/kWh, these options have the highest greenhouse gas and air pollutant emissions among the considered options. Besides, the Mombasa - Coal steam option in Kenya could have significant impacts in relation to increased risks of pulmonary diseases.
- **Mpanga**, **Masigira** and **Upper Kinansi (storage)**: these hydropower options have been included under other options as existing information does not allow to properly assess their socio-economic and environmental impacts and related project risks.

Conclusion and recommendations

Portfolios were developed for, and comparisons made, for three development strategies:

Strategy 1 - Maximise the use of best-evaluated options

Strategy 2 - Technological diversification to avoid over dependence on hydro

Strategy 3 - Geographic diversification to approximately match loads and supply in each country.

The key findings are the following:

- The total demand for electricity in the six-country region will increase by 2,800 MW, and 16,000 GWH over the period 2005 to 2020 under base (i.e. average or medium) load growth conditions. By comparison the peak demand would increase by 4,100 MW in a high economic growth scenario. These values exclude the additional amount of reserve that would be required for supply reliability.
- By the end of the period of analysis (2020) virtually all of the identified power development options that have low environmental and social impacts will have been used to meet demand increases under the base load growth scenario.
- Development strategies that seek to improve geographical (by country) or technological (limit hydro dependency) diversification will result in selection of more projects with environmental/social risks.
- Apart from options located in national parks, the cumulative impacts on the social and physical environment are relatively minor; the most significant are emissions from thermal plants and potential impacts on wetlands in the Kagera River and the Rufiji River.
- Even the most hydro-intensive portfolio would not have any effects on the Albert Nile leading to Sudan and the Sudd Marshes.

The completion of Stage II of SSEA resulted in the following recommendations that were developed from consultations with the PSC and stakeholder representatives:

- **Recommendation A:** Three projects – Bujagali, Rusumo Falls (both hydro) and diesel type generation using naturally occurring methane gas at Lake Kivu – should be implemented as soon as possible. Justification: the countries involved (Uganda, Rwanda and Burundi) are now suffering from serious power outages. The only power options that could be installed in the short to mid-term are those listed, and these are also low cost and with acceptable environmental and social impacts. This recommendation is not affected by the choice of development strategy.
- **Recommendation B:** A number of other projects, notably: Kabu 16, Kakono, Ruzizi III and Ruhudji (all hydro), geothermal in Kenya and Songo Songo gas-fired plant in Tanzania should be prepared for implementation at an early date. Justification: all planning studies show that these projects will be required on-power in the mid-term say 2014-2018, based on the medium or base load growth scenario, irrespective of the development strategy selected.
- **Recommendation C:** The countries in the region should move immediately towards a high degree of power system interconnection and ultimately integration. Justification: Economies of scale are likely to reduce costs in most of the countries involved and synergies would be available from the mix of technological resources (geothermal in Kenya, methane gas from Lake Kivu, natural gas in Tanzania and hydro in Uganda as well as DRC, Tanzania and Rwanda. Integration would facilitate use of projects with the lowest environmental and social risks
- **Recommendation D:** In the DR of Congo, actions should be taken as soon as possible to prepare, develop and finance in the order of 100 MW of existing hydro options that need to be rehabilitated, and to strengthen the associated transmission, in the eastern DRC provinces.

Recommendations resulting from this assessment, in the form of year-by-year actions required by each country, are presented at the end of the Revised Final Report. These are actions that are

urgently required in order to eliminate the current shortages of power and to ensure that sufficient power is available in the future to meet the load with a reasonable and realistic reserve margin. Following Map 1 shows regional power and transmission requirements to 2015.

Project Background and Objectives

The present SSEA is a component of the preparatory phase of the Nile Equatorial Lakes Subsidiary Action Program (NELSAP) Power Development and Trade Sub-Program. NELSAP is one the two subsidiary programmes set up within the context of the Nile Basin Initiative (NBI). The SSEA is carried out under the guidance of the World Bank with funding provided by the Canadian International Development Agency (CIDA).

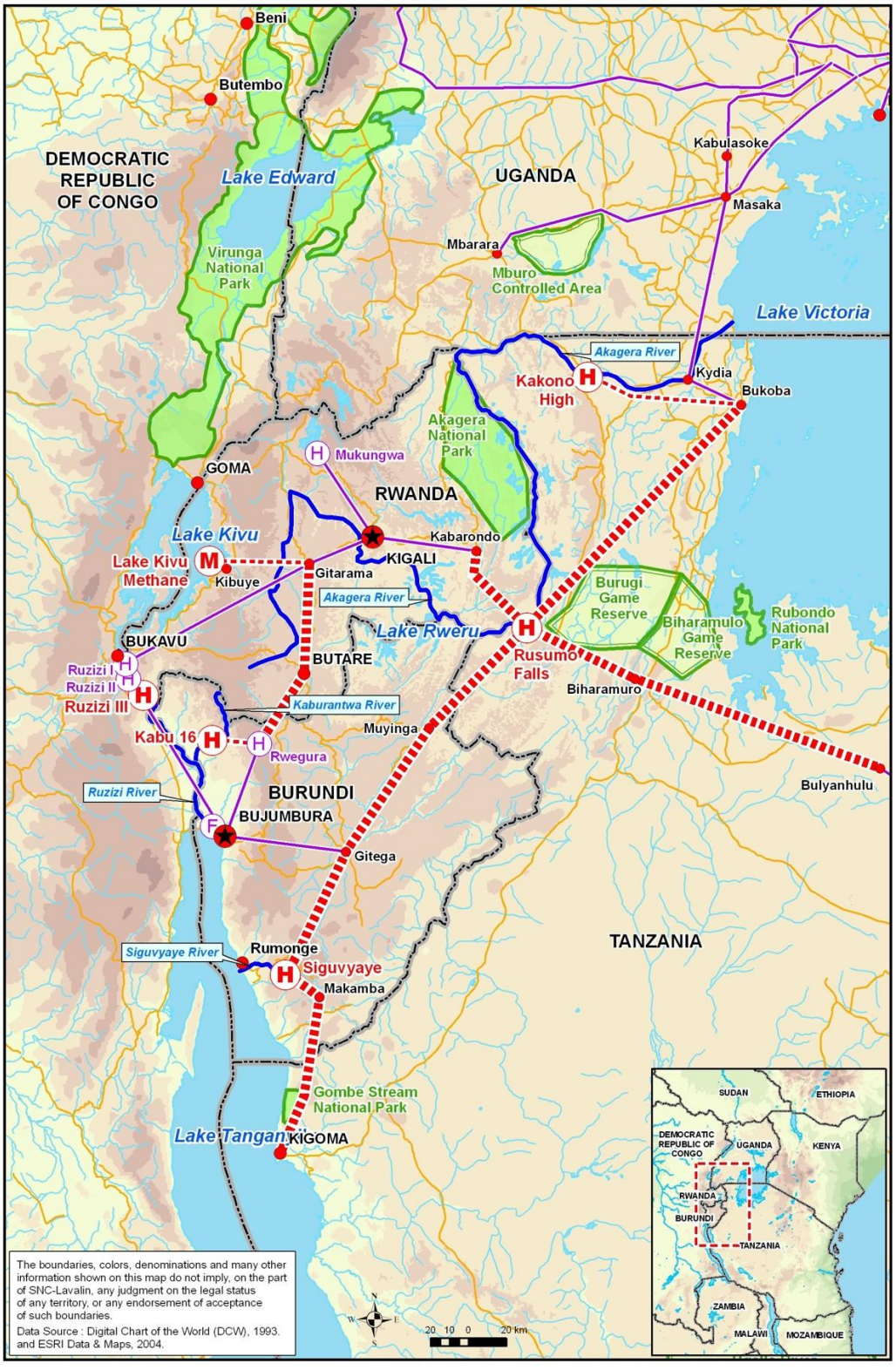
The objective of Stage II of the project is to undertake an inclusive and participatory SSEA of Power Development Options (including interconnections) in all six countries of the Nile Equatorial Lakes Region, integrating the results of the Stage I work in Burundi, Rwanda and western Tanzania. The outcome of the process is anticipated to be a power strategy that will put forth different power development options, including an assessment of their economic and engineering feasibility as well as environmental and social impacts, to allow for informed and transparent decision-making in the selection of power investments. The SSEA takes other regional power development work and analyses into consideration such as relevant work in the East African Community Power Master Plan (EACPMP) and is performed in close consultation with stakeholders in the six countries.

The scope of work of Stage II of the SSEA of Power Development Options, as defined in the terms of reference, included the following six tasks: 1) Assessment of the energy policy, legal and administrative framework in the six countries of the Nile Equatorial Lakes Region; 2) Power needs assessment for the six countries; 3) Power options identification; 4) Cumulative impacts assessment; 5) Comparative analysis of power options; and 6) Mitigation plan for selected power option alternatives. An overview of the process followed for Stage II of the SSEA is provided in Figure 3.

SSEA (Strategic / Sectoral Social & Environmental Assessment)

Power Development Options in the Nile Equatorial Lakes Region – Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania and Uganda

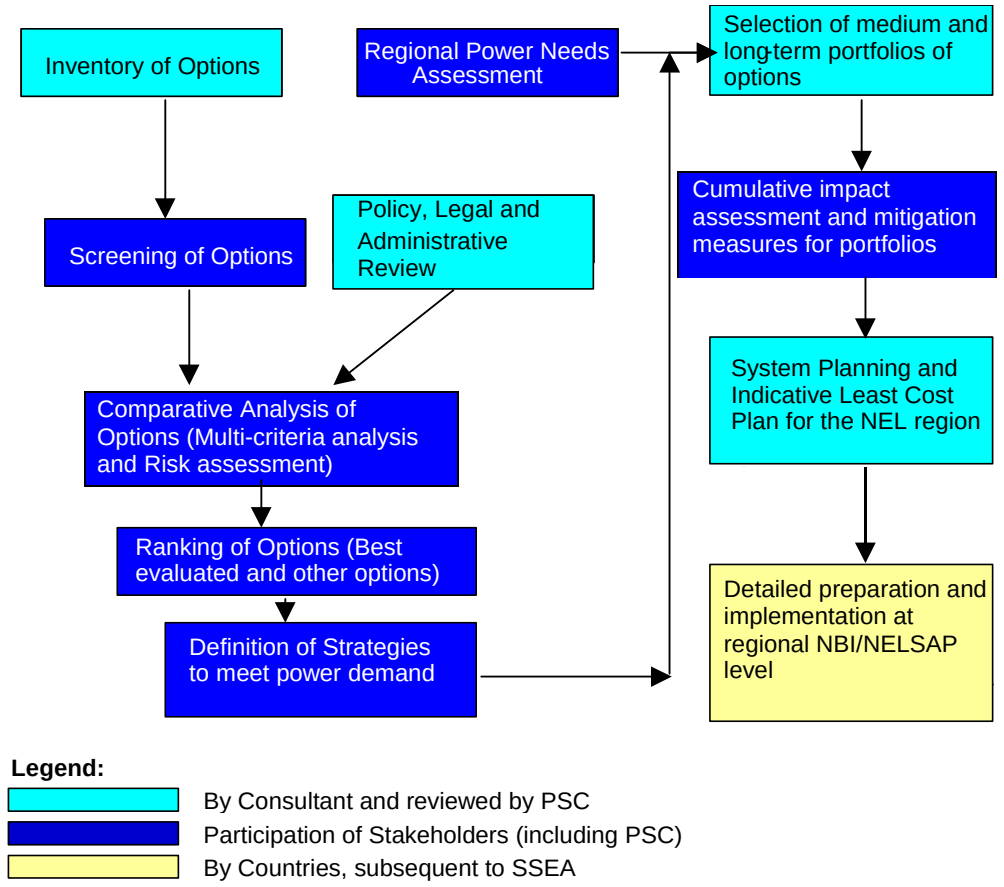
Map 1 Regional development of power and transmission requirements to 2015



SSEA (Strategic / Sectoral Social & Environmental Assessment)

Power Development Options in the Nile Equatorial Lakes Region – Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania and Uganda

Figure 3 Process followed for SSEA of power development options



Stakeholder Consultation

The purpose of regional stakeholder consultations was to incorporate the points of view of public and private institutions concerned by the SSEA at the national and regional levels. Because of the regional scope of the project, the stakeholder consultation program constituted a regional "pulse-taking" of the different issues at hand. The 42 attendees invited to each of the two workshops planned during Stage II of the SSEA included 12 PSC members (two power experts per country) and 30 stakeholder representatives (5 per country) selected by the Steering Committee from among: civil society (environmental and socio-economic NGOs); academia (universities and research institutions); religious communities; regional administrations; and relevant government agencies.

How to Stay Informed About or Comment on the SSEA Process?

Interested institutions or persons can follow the advancement of the project or provide comments on the project's results by accessing the dedicated Web site for the project. This site is based at SNC-Lavalin International in Montreal (Canada). Visitors to the site will be able to find copies of reports in PDF format, the information bulletins produced in the course of the assignment, as well as photos taken during field trips to the region and during the regional stakeholder workshops.

The Web site address is the following: www.ssea.snclavalin.com.

SSEA (Strategic / Sectoral Social & Environmental Assessment)

Power Development Options in the Nile Equatorial Lakes Region – Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania and Uganda

Illustration 2 Project Website– SSEA of Power Development Options in the Nile Equatorial Lakes Region

SNC – LAVALIN Project Website

SSEA of Power Development Options (Burundi, Rwanda and Western Tanzania)

Français ●

Home ●

Reports, Information Bulletin and Photos ●

Project Status ●

Feedback ●

Links ●

Legal Notice ●

Tools for Viewing this Site ●

- **The Study**

Strategic/Sectoral Social and Environmental Assessment (SSEA) of Power Development Options in Burundi, Rwanda and Western Tanzania (October 2003 – October 2004).

- **The Client**

The World Bank for the Nile Equatorial Lakes Subsidiary Action Program (NELSAP) with funding by the Canadian International Development Agency (CIDA).

- **Study Context**

The Nile Basin Initiative (NBI), established formally in 1999, provides for an agreed basin-wide framework to fight poverty and promote socio-economic development in the ten Nile countries (Burundi, Rwanda, Uganda, Tanzania, Kenya, Sudan, Eritrea, Democratic Republic of Congo - DRC, Ethiopia and Egypt). The NELSAP is one of the two subsidiary action programs established within Nile Basin Initiative.

NELSAP targets investment in power development, transmission interconnection and trade, water resources management, management of lakes and fisheries, agriculture development and water hyacinth control.

- **Study Objectives**

The present study, the SSEA of Power Development options in Burundi, Rwanda and Western Tanzania, is the first component of the preparatory phase of the power development program of NELSAP.

SSEA (Strategic / Sectoral Social & Environmental Assessment)

Power Development Options in the Nile Equatorial Lakes Region – Burundi, Democratic Republic of Congo, Kenya, Rwanda, Tanzania and Uganda

The study objectives are :

- To evaluate power generation options in Burundi, Rwanda and Western Tanzania
- To enable the consideration of power development, interconnections and sharing of benefits.
- To identify the best options for meeting the expected electricity demands in the Rwanda/Burundi/DRC-East interconnected network and in the isolated networks of Western Tanzania, taking into account economic, financial, technical, environmental, social and political considerations.
- To allow for informed and transparent decision-making in the selection of power investment.

The second component of the preparatory phase of the NELSAP power development program will be a NEL-wide SSEA of Power Development Options for all of the six upstream riparian countries (Burundi, DRC, Kenya, Rwanda, Tanzania and Uganda). This second stage is planned to start by the middle of year 2004.

- **Why this Site ?**

This Web Site is intended to facilitate the dissemination of information on this project to as wide a set of stakeholders as possible and to facilitate exchanges with concerned organizations and groups.

Illustration 3 Hydro-Québec Project Implementation Newsletter– Eastmain-1-A and Sarcelle Powerhouse and Rupert diversion project

Boumhounan

Eastmain-1-A and Sarcelle powerhouses and Rupert diversion project

Newsletter

December 2007 Issue No. 2

Meet the rest of the Monitoring Committee!

You'll be seeing quite a lot of the members of the Monitoring Committee over the next few years, as they will be visiting the communities on a regular basis for things like meetings, information sessions and interviews with the tallymen. In the last issue of the newsletter, we introduced you to the representatives of the communities. This time, we'd like to present the representatives of the Hydro-Québec/SEBJ and Niskamoon Corporation.

Marie-Hélène Côté
An anthropologist and humanitarian, Marie-Hélène worked with Aboriginal peoples in Latin America for several years before bringing her expertise in human relations to SEBJ. A seasoned explorer, there is nothing she likes better than to discover new places and people.

Réal Courcelles
Biologist, former professor, one-time employee of SOTRAC, amateur radio operator…Réal has done it all. His experience in the field is legendary. His relationship with James Bay goes back to the 70s, when he conducted a count of migrating snow geese in Rupert Bay.

Martin Desgagné
A civil engineer and former Nemaska resident, Martin worked for the Cree Regional Authority as an engineer for several years. He has made innumerable visits to the Cree communities and knows their public infrastructure like the back of his hand. Martin now works on a number of Cree dossiers for the Région La Grande division of Hydro-Québec.

René Dion
A Montrealer by birth, a Cree at heart and a biologist by training, René first came into contact with the Cree communities about 20 years ago, when he was conducting fish studies. As an employee of the Cree Regional Authority, he now acts as spokesperson for the Crees, whose interests he defends.

Marc Dunn
The newest member of the committee, this biologist and adventurer can be found anywhere there is a field project! You'll see him doing environmental surveys, supervising trainees, conducting research, solving a host of problems, talking on the phone, setting things up…ah, the energy of youth!

Réjean Gagnon
Réjean, who holds a degree in geography and urban planning, is in charge of developing wildlife habitat areas and introducing land-use measures. He also oversees the restoration of sites affected by the project, and the implementation of artistic projects north of the 50th parallel.

Philippe Mora
A Canadian by choice and an engineer by training, Mr. Mora's career has been spent working on hydropower projects. He says that the current project constitutes the final phase of the "hydroelectric trilogy" that began with the building of the La Grande complex. This time, he has been mandated to head up the environment section of the project – a job he has taken on with enthusiasm. It just goes to show you: you learn something new every day.

Sandie Poliquin
This is Sandie's tenth year with Hydro-Québec. An experienced biologist who has implemented environmental management systems all over Québec, Sandie now divides her time between Montréal, the North Shore and James Bay as a land wildlife and bird specialist on several projects in operation phase.

Hélène Tellier
An "unofficial" member, Hélène acts as corporate secretary and is involved in all of the Committee's activities. Her role is to listen, observe and record the words and actions of the Committee members. She also asks questions…Be sure to answer them, it's all for the Bournhounan Newsletter!

André Tessier
Having worked for SEBJ, SOTRAC and now, Hydro-Québec, André has been involved with the Cree communities since the 1970s. As a social environment specialist on the current project, he ensures that mitigation measures are implemented to benefit the tallymen.

Meeting in Nemaska on September 25th, 2007

A busy first year for the Monitoring Committee

In 2007, the Monitoring Committee held around 15 meetings in Montréal and in the communities.

The members have discussed a host of issues during these meetings, including the project work schedule, modifications, environmental studies, relations with the tallymen and the communities, etc.

In 2007, most of the discussions focused on the conditions governing the provincial Certificate of Authorization for the project and the subsequent filing of the follow-up programs.

In fact, the members of the Monitoring Committee evaluated the 30 or so follow-up programs arising from the project's environmental impact assessment and the provincial and federal conditions of authorization before they were submitted to the appropriate authorities at the end of November 2007.

2008 Information Tour

If you'd like more information on the activities planned for 2008 in relation to the Eastmain-1-A/Sarcelle/Rupert project, don't miss the Monitoring Committee's upcoming tour of the communities! In early 2008, the Committee members will be visiting the communities of Mistissini, Nemaska, Waskaganish, Eastmain, Wemindji and Chisasibi in order to present the construction work and follow-up studies to be conducted during the year, and to answer your questions.

Contact your representative for further details.

Emmett Georgekish – Wemindji: 819 978-0265, ext. 227
Edward Gilpin – Eastmain: 819 977-0211, ext. 304
A. Thomas Hester – Waskaganish: 819 895-8650, ext. 3269
Lawrence Jimiken – Nemaska: 819 673-2512, ext. 213
Wilbert Shecapio – Mistissini: 418 923-2856
Robbie Tapiatic – Chisasibi: 819 855-3377

2

A day in the life of Johnny Saganash

It was April 15, 2002, at 9:02 a.m.— a day Johnny still remembers.

The job description was vague and the task considerable. He had been a maintenance and repair electrician, lineman, peace officer and game warden. Johnny spoke French. He was unionized. He was a Cree with Hydro experience.

"They came to ask me if I wanted to be Cree Employment Counsellor for the Eastmain-1 project, to help Cree workers integrate into the job market. They gave me two weeks to think about it, but I made my decision pretty quickly!"

"Now it's better; Cree workers know the rules better and have good relations with the other workers. People often ask me, 'Where are my Cree friends?'"

We are on our way to Eastmain workcamp, as Johnny has to meet with some Cree workers there.

"It wasn't easy at first; I had to establish myself… Cree employment then wasn't what it is today. A lot of people got fired and turnover was high," says Johnny Saganash, Cree Counsellor for SEBJ. "Now it's better; Cree workers know the rules better and have good relations with the other workers. People often ask me, 'Where are my Cree friends?'"

SEBJ currently has 11 Cree employees. Out of a total of 1,977 workers on the project in August of this year, 225 were Crees housed at Eastmain, Nemiscau or Rupert camp. At Km 257, 10 more Crees were working for engineering firms, and there were over a hundred of them in the land-clearing camps.

"To me, that's a lot of people—over 2% of the Cree population," says Johnny, "especially considering all the hiring problems we've had." And the hiring problems have been numerous.

First, there were the call-back lists of unionized workers that had to be given priority. "It's true that the call-back lists are there to protect the workers and to ensure fairness," he says, "but they seldom benefit the Crees and sometimes there's favouritism…"

"Some Cree workers come to tell me that they feel like they are never treated well and that they are discriminated against. The problem is often one of perception. I started at the bottom too!"

The biggest issues Cree workers have to deal with are those of the language at work—French—and job qualifications. It is unusual to find a Cree with five or ten years of work experience in one field.

"Sometimes the problem has to do with inflexible, closed-minded managers, but more often, it is a matter of qualifications," explains Johnny. "I often get calls from Crees who are looking for work. When I ask them what kind of job they're looking for, they say 'Anything!' Right off the bat, there's a problem; people need to have a better idea of what they want and make better use of their skills."

We arrive at Eastmain workcamp. Johnny meets a few Crees who work at the cafeteria. This is a good opportunity for them to chat with Johnny and make him aware of any problems they might be having. He then stops in to see Gilles Senécal to enquire about a CV Johnny had given him a few days before.

Gilles Senécal is in charge of human resources for the Eastmain-1-A/Sarcelle/Rupert project. His job is to meet SEBJ's needs in terms of manpower at the jobsites, and to call in and interview Cree workers. The Crees he hires generally fill unskilled labour or low-level technical positions.

"The thing about construction sites," explains Gilles Senécal, "is that once work has started, the jobs need to be filled quickly. We need to get the show on the road! Offering people work is well and good, but first we have to meet the needs of the jobsite within the required time frame."

So the question is how do we reconcile the needs of the Cree workers with the jobsite requirements? Johnny believes that the Crees should be given priority for certain types of jobs—recreation counsellor, for example—and that assistant positions should be created to enable Crees to work while gaining experience. Another possibility would be to train the workers before work starts so that they can be streamlined into the project as quickly as they are needed.

"Some Cree workers come to tell me that they feel like they are never treated well and that they are discriminated against," says Johnny. "The problem is often one of perception. I started at the bottom too! I try to explain to them that you have to start somewhere and work your way up… you don't get the good jobs overnight. I experienced racism as a lineman, especially in small towns and villages. I had to find my own accommodations and sometimes I was turned away because I was Native. It was much harder in those days; things have changed a lot since then and I find that the workers are pretty spoiled at the jobsites now."

Johnny discusses land clearing with Gervais Savard and Robert Morrissette

We are now on our way to Rupert workcamp, which opened this past summer. Johnny has to meet with Gervais Savard, Site Manager for Rupert workcamp and Robert Morrissette, Section Manager for land-clearing work on the Rupert diversion. Johnny is constantly travelling between the Eastmain, Nemiscau and Rupert camps and within the next two years, he will have four more new camps to visit.

Explains Johnny, "I try to be everywhere at once and step in before the problems get any worse." Johnny's role goes above and beyond professional counselling. "Yesterday," he says, "I got a call from a worker who is having family problems and has to go home. My job is also to call his boss to explain the situation and to ask him to release the employee for a week or two so that he can solve his problems."

"If you want to change the system, you have to do it from inside the system. That's what I'm trying to do – help as many Crees as I can integrate into the system."

Johnny considers himself lucky to be doing what he's doing and finds his job rewarding. There's nothing he likes more than to help someone find work! "But I also have the unenviable job of telling people why they weren't hired, or why they were let go, or why they should forego their Goose Break in May, when work on the project resumes. Cree workers have a hard time reconciling their traditions with the requirements of their jobs. That's when they tell me I have become too White…so I try to explain to them, 'I can counsel you, but at the end of the day, it's your choice.' If you want to change the system, you have to do it from inside the system. That's what I'm trying to do—help as many Crees as I can integrate into the system."

Johnny's workday is 24 hours long. "I'm constantly taking calls during the day and the best time to meet with the workers is at the end of the day, after work hours."

At the jobsite

Building the transfer tunnel

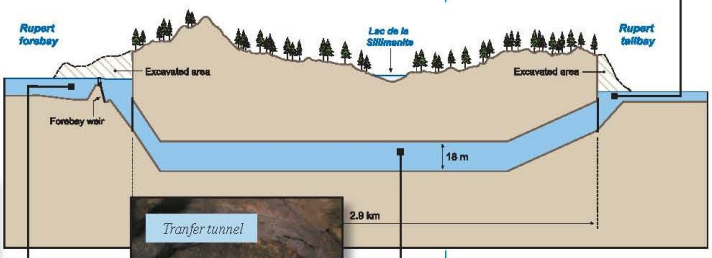
Digging the transfer tunnel is one of the biggest jobs in the Eastmain-1-A/Sarcelle/Rupert project. The 3-km-long tunnel, which will link the Rupert forebay and tailbay, will extend about 50 metres beneath the surface of Lac de la Sillimanite.

There are several canals in the diversion bays, so why use a tunnel rather than a canal in this case? "There are three main reasons," explains Philippe Mora, Project Administrator – Environment and Agreements at SEBJ. "The geological conditions weren't suitable for a canal and by digging underground, we were able to avoid disrupting the environment and drying up the lake. Working underground also allows us to work all year. This was one of those rare occasions when everyone was happy: the environmentalists, the engineers *and* the accountants!"

Since work on the tunnel began in July 2007, construction crews have been working around the clock. First, open-pit excavation of the intake and outlet portals was completed. The workers then began blasting to form the arch of the tunnel – blasting in the downstream portion of the tunnel began in September and work on the upstream portion was undertaken in November. Simard-Beaudry, the contractor in charge of the work, estimates that some 600 blasts will be required in order to advance five metres a day through either side of the tunnel.

In total, over a million cubic metres of rock will have been excavated by the time the tunnel is completed in December 2008.

Outlet portal



Intake portal

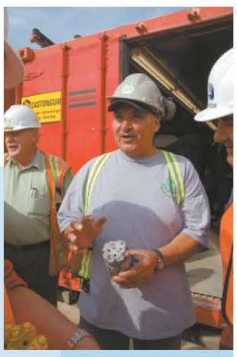
One of two Jumbos used for horizontal drilling in the transfer tunnel. Completely automated, these machines are equipped with three parallel arms that can bore up to six metres into the rock. Some 150 boreholes per blast are required to form the arch of the tunnel.

Depending on the conditions, a driller will drill 20 to 30 holes about 35 feet deep during a work shift. All of these holes will have to be filled with dynamite in order to blast away the rock.

George Gunner of Mistissini, an employee of Castonguay, is one of the workers assigned to the transfer tunnel. An experienced driller, he has worked on several hydropower projects since 1972, as well as for a number of mining companies.

"You have to like hard work and be 'rock-sensitive'; in other words, you have to know rock! Anybody can do this job, but you have to be willing to work hard!" As professionals, drillers are in high demand and there are excellent job opportunities, especially in the mining industry.

George Gunner is enthusiastic about his job. He works the night shift and is an avid fan of teamwork. "We're like a family, all working for the same purpose. I wish that Cree people would come and see what we're doing here and be more positive about the project," he says.



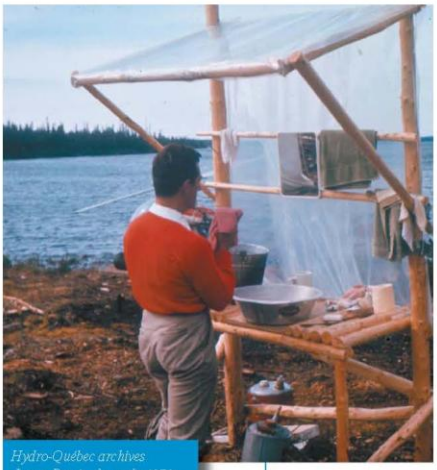
George Gunner holding a drill bit. He says that the bits have to be changed often—every 5 or 6 boreholes—to avoid them getting stuck in the rock.

Jobsite visit by the Cree Health Board

Accompanied by members of the community of Chisasibi, a delegation from the Cree Health Board (CHB) toured the Eastmain-1-A powerhouse and Rupert diversion jobsite from August 22 to 24 to observe the living conditions of Crees working on the project. The delegation visited Eastmain, Rupert and Nemiscau workcamps, as well as the main worksites and a land-clearing camp.

A working meeting was held to discuss some of the conditions governing the authorization certificate for the project. HQ/SEBJ must submit the follow-up programs to be implemented in relation to Cree health to the government authorities by late 2007.

Left to right: *George Bordeleau, Robbie Matthew, Sally Matthew, John Sam, Reggie Tomatuk (CHB), Betsy Loucks (CHB), Keith Best (CHB), Marcellin Gangbè (CHB), Jocelyne Gagné (CHB), Michel Plante, Johnny Saganash and Philippe Mora at the site of the future Rupert spillway.*



Hydro-Québec archives
James Bay in the early 1970s

Life in the land-clearing camps

The contract awarded to Eenatuk was by far the largest of the nine contracts awarded in 2007 for land-clearing work in the diversion bays. This year, Eenatuk has cleared 1,278 hectares, which is more than half the total area cleared in the diversion bays.

To accomplish this, the company set up four land-clearing camps that would operate between July and November and hired some 75 workers.

Ah, life in the bush isn't what it used to be! The workers now enjoy comfortable camp accommodations and can even shower with hot water—a first in 2007!

Here's a little guided tour of a land-clearing camp…

Workers' condos

Norman Iserhoff, Foreman

Dining room

SPA facilities

The next generation?

Success in Lake Nemiscau

In the summer of 2007, Environnement Illimité conducted a field campaign to document changes in breeding of four target fish species over time. The surveys were carried out on the Rupert River near Lake Nemiscau (KP 205) and upstream of Rivière à la Marte (KP 250)—two stretches that will remain relatively unaffected by the river diversion.

A rare catch indeed: this sturgeon is only one or two years old!

They caught the wrong fish… a pike weighing over 30 pounds

"The objective of these studies," explains Environnement Illimité biologist Michel La Haye, "is to evaluate the impact of the Rupert River diversion on future numbers of suckers, whitefish, walleye and especially, sturgeon, given how highly valued these species are for the Crees."

It is relatively easy to assess the numbers of suckers, walleye and whitefish, as the teams simply fish them using seine nets. The 23-metre-long net is cast in a semi-circle from shore, in water no deeper than one metre. The net is then closed up and pulled onto shore where any fish caught in it are identified, counted and released.

Things get a little more complicated when it comes to sturgeon. "Out of the 60 times we cast the seine net, we only managed to catch 3 sturgeon. The one- or two-year-olds are too small for the nets and the big sturgeons stay in deeper water. We will therefore study cohorts of juveniles three to five years old and compare their abundance from one year to the next, before and after diversion," explains Michel La Haye.

With this in mind, the Environnement Illimité team cast medium-sized nets in an area sheltered from the current in order to catch juvenile sturgeons. Then they took small bone samples from the pectoral fin before releasing the fish. Laboratory technicians were then able to determine the age of the sturgeon by counting the growth rings in the sample—like in the trunk of a tree.

"The fishing campaign of summer 2007 was exceptional!", says Michel La Haye, "We had hoped to catch about 50 juvenile sturgeons at the most, but we caught nearly 250 for each of the sections covered, which means that we will have very comprehensive data."

The seine-net surveys should continue in 2008 and the sturgeon surveys will resume after 2010, so that the abundance of the first sturgeon cohorts can be assessed after diversion. According to Mr. La Haye, the sturgeon population could increase after diversion. "The current will not be as strong and water levels will fluctuate less because of the instream flow, which should create a better environment for spawning," he says.

Henry Wapachee guides the field survey teams on Lake Nemiscau

Just what we wanted: sturgeons three to five years old!

Produced for the Monitoring Committee by Hélène Tellier (copy), Patricia Hamilton (translation and proofreading) and Ménard Design.

An example of tools developed for interaction with stakeholders is provided in Box 3.

Box 3: Tools developed for interaction with stakeholders in the Tennessee Valley Authority (TVA) Reservoir Operations Study[2]

The goal of the Reservoir Operations Study was to determine whether changes in TVA's reservoir operating policies would result in greater overall public value (for power, water supply, navigation and recreation). It included broad public outreach, community workshops (involving more than 3,000 people), targeted multi-stakeholder groups, an interagency team and a public review group. Alternatives were developed, evaluated and refined through data collection, statistical analysis, computer hydrologic modelling and qualitative assessment. An interactive computer-based system was used for multi-voting on preferences and to encourage and record comments, which could be displayed electronically on a screen so that all could see the range of opinions. This facilitated interaction among interest groups and an understanding of the need to balance concerns.

The tools suggested in Tables 2 and 3 must be adjusted according to the local cultural, ethnic and linguistic conditions that occur in the regions affected by a project. Better adapted techniques for water resource management project in the Nile River basin could include:

- Mapping the preferences of various stakeholders;
- Participatory rural appraisal techniques;
- Impoverishment risks analysis;
- Interest group meetings with traditional landholders and land users;
- Community meetings;
- Semi-structured interviews with community leaders and local key informants (school teachers, public health workers, etc.);
- Use of community radio on local languages to inform the public about the project and consultation process;
- Use of parades, processions, musical or theatre groups, to interest and inform the public about certain issues;
- Use of demonstration projects to illustrate and discuss more technical issues, such as agricultural improvement techniques or Government self-employment schemes;
- Use of local CSOs and NGOs as partners in project communication activities.

4.7 Concluding note

To ensure that stakeholders' concerns are considered during project preparation and available for future reference, it is useful to briefly summarize consultations in a matrix format. Such a matrix would typically include columns for the dates of consultations, locations, organizers, type and number of participants, main issues and commitments. It could also be posted on a dedicated webpage (Asian Development Bank, 2006).

[2] UNEP - DDP Secretariat. 2007.

5. COMMUNICATION AND CONSULTATION STRATEGIES FOR PROJECT DEVELOPMENT

Recommended consultation strategies for project development in IWRM include:

- Making information accessible to affected and interested parties (promoting transparency and openness through information disclosure);
- Supporting negotiations and partnerships for the design and implementation of policies, programs and projects;
- Developing and publicizing guidelines for stakeholder participation in the establishment of a Basin Development Plan.

5.1 The Bumbuna Case Study: A communication strategy for a hydro-electric project in Sierra Leone

The social, cultural and political aspects of a major water resources development project rival its technical challenges (World Bank, 2006).

The studies for completion of the Bumbuna Hydroelectric Project (BHP) were carried out between 2002 and 2005 in a post-conflict context in Sierra Leone. The BHP is a multi-phase 50 MW hydropower complex on the upper reaches of the Seli River, in Tonkili District, 200 km northeast of the city of Freetown. It has a long and narrow reservoir (30 km) with an area of 21 km^2. The project was 85 percent completed in 1997 before the war.[3]

5.1.1 Communication-based Assessment

Communication-based Assessment (CBA) was used to identify problems that must be addressed to ensure that:

- Project development objectives were properly identified, understood and agreed to by stakeholders;
- Project implementation could proceed in a fair and efficient way, which ensured the achievement of project objectives.

The CBA identifies the **political, social and cultural environment of the project,** and assesses the position of project stakeholders in terms of their respective:

- Level of information;
- Perceptions and concerns;
- Attitudes;
- Practices and behaviors;
- Interests.

The CBA is used to **understand and anticipate**:

- Potential barriers to communication;
- Audiences to be reached;

[3] Section 5.1 of the Manual is entirely drawn from World Bank, 2006. The Role of Communication in Large Infrastructure – The Bumbuna Hydroelectric Project in Post-Conflict Sierra Leone.

- Effective channels of communication;
- Government's and agencies' willingness and capacity to engage in two-way communication;
- Minimizing risks of controversy and threats to the project's successful completion;
- Building public support for the project by taking into account different stakeholder interests.

Tasks of the CBA carried out for the BHP were as follows:

- Understanding the history of the project (completion of an existing infrastructure);
- Evaluating the political, social and cultural environment around the project;
- Identifying stakeholders and assessing their level of information, perceptions, interests and concerns;
- Identifying communication problems to be addressed and related objectives;
- Understanding the history of the project (completion of an existing infrastructure);
- Evaluating the political, social and cultural environment around the project;
- Identifying stakeholders and assessing their level of information, perceptions, interests and concerns;
- Identifying communication problems to be addressed and related objectives.

The CBA was based on **30 in-depth interviews and consultations** with selected players:

- Ministry officials;
- Members of Parliament;
- Local government authorities;
- Traditional tribal authorities;
- Religious groups;
- Civil society associations;
- Universities;
- Development agencies;
- Local and national media;
- Communication professionals;
- A sampling of project-affected people at the site.

The CBA included an **assessment of**:

- The existing communication capacity within the institutions involved in the project implementation;
- The political willingness and commitment to communicate and to ensure ownership of the communication process (each step of its design was taken with the national implementing institution).

Public opinion research was commissioned and carried out by an independent consultant to assess:

- Level of knowledge, perceptions and image of the project among stakeholders and the public at large;
- Communication needs and preferred channels;
- Concerns related to social management issues (resettlement);
- Key players involved and their respective roles;
- Expected deliverables of the project and related concerns.

Public opinion research provided **baseline data** against which monitoring and evaluation of the impact of communication activities were to be measured. It was based on:

- A questionnaire submitted to a sample of 840 residents in the project area;
- A total of 9 focus group discussions with interest groups;
- A total of 16 in-depth interviews with businesses, media houses/journalists, CSOs, and local authorities.

A number of **challenges** emerged from the CBA:

- High symbolic value of project (a source of pride);
- Significant disappointments and frustrations over 30 years (symbol of inefficiency, corruption and foreign exploitation – "When Bumbuna is completed…");
- Mixture of hope, skepticism and unfulfilled expectation;
- Spread of misinformation, rumors and mistrust among stakeholders nationwide, including among communities living in project-area (political promises – free power);
- Presence of a thorny tribal conflict in the project area that could jeopardize all attempts to actively involve local communities in project design and implementation;
- Fear of corruption, including among project affected persons to be resettled;
- Risk that disagreements over project issues would aggravate local tensions (post-conflict situation).

The CBA identified an **urgent need:**

- To bridge the gaps, seek trustworthy dialog with stakeholders, restore confidence, and enhance support for project implementation;
- To implement a comprehensive communication process by project team in a very poor and remote area with different ethnic groups and languages;
- To reinforce institutional capacity to efficiently implement the communication strategy (extremely limited capacity).

The CBA revealed that the development agency and government authorities **minimized the role of communication**, which resulted in:

- Unwillingness to allocate funds to communication activities that were aimed at making their work more transparent and at enhancing participation of a larger number of stakeholders;
- Viewing communication in a top-down approach, merely as public relations, and as a way to inform target groups about decisions made (e.g. the DAD approach – Decide, Announce and Defend).

The CBA also confirmed the following:

- Limited local professional ability in communication (public relations agents);
- Weak media environment (journalists paid to communicate others' views);
- Low capacity and representativeness of local NGOs (lack of trust on the part of the public).

5.1.2 Communication strategy

A **Communication Action Plan (CAP)** was developed for the project as a flexible tool to be adjusted to changing conditions (monthly working plans that take into long-term strategy as well as short term needs).

Communication objectives of the CAP included:

- Project Implementation Unit (PIU) capacity building;
- Community development plan;
- Coordination with EIA and RAP teams;
- Institutional coordination;
- External communication;
- Media relations;
- Grassroots communication.

A communication objective requires changes in:

- Level of information;
- Perceptions;
- Attitudes (intentions)
- Practices or behaviors;
- Level of participation (and/or)
- Level of empowerment

or:

- Mutual understanding;
- Cultural, social or knowledge exchange;
- Cooperation.

The CAP was:

- Subdivided into several components, each one directed to a specific audience/stakeholder group (including public, private and international);
- Characterized by different communication needs, problems and objectives, and requiring different strategies and media;
- Showed that the main audiences that needed to be reached and engaged by the communication strategy were:
    1. Institutions involved in project implementation;
    2. General public (mainly though the mass media);
    3. People living in the project area, including Project-affected people;
    4. International community.

Main elements of the CAP included establishing a Communication Unit (CU) within the PIU with expectation of future integration with hydropower management structure and with the role of:

- Designing and carrying out all communication activities related to the project;
- Acting as focal point and source of information for all stakeholders;
- Encouraging exchange and collaboration between project staff members and stakeholders.

The **management structure** of the BHP includes:

- Minister Cabinet Subcommittee responsible for all issues related to policy decisions;
- Technical committee responsible for technical aspects of project, comprised of high level officials of concerned ministries and other institutions;
- PIU which is executing body of the project and reports directly to Technical committee (manages budget and ensures implementation of project).

The **budget per component** allocated for CAP implementation (USD) was as follows:

Functioning of CU:		70,000
- Salaries:	(48,000)	
- Training:	(2,500)	
- Equipment:	(14,500)	
- Running costs:	(5,000)	
Communication with involved institutions:		5,000
Communication with the general public:		50,000
Communication with the local communities:		50,000
Communication with international community:		7,000
Monitoring and evaluation:		18,000
TOTAL:		200,000

5.1.3 Communication implementation

Challenges faced by the CU during communication implementation included:

- Lack of support by PIU to CU (access to information and access to funds for communication activities);
- Need to generate consensus on the communication strategy and plan among PIU managers and the project's Technical committee;
- Required direct involvement of both bodies in monthly planning of communication activities through contribution to design and approval of monthly work plans;
- Lack of autonomy of CU in managing funds allocated to communication activities undermined responsiveness of CU and led to delays in communication activities;
- Importance of participation of CU officer in technical meetings and of continuous interaction with PIU project managers.

Communication with institutions involved in the project included:

- Ensuring that all institutions involved in project implementation were on the same page and could express their views through:
  - face-to-face and group meetings;
  - organization of workshops;
  - production of written briefs;
  - production of a project newsletter.

Communication with the general public (electricity consumers) was subdivided among: 1) regular interaction with journalists of the electronic and print media and 2) production of communication tools in view of:

- Providing correct information about project progress, expected benefits and the role of organizations involved;
- Gathering feedback and suggestions from the general public;
- Identifying and addressing specific information gaps and erroneous beliefs concerning the project.

Communication with the local communities included:

- Building on a negative local legacy (poor information, people not consulted and not compensated for prior land acquisition (widespread discontent and suspicion toward government officials and other project staff);
- The CU had to build trust and credibility among project area residents who were afraid that their villages and fields would be submerged;
- Holding meetings with traditional chiefs and elders in local communities, followed up by public consultations in the most accessible villages.

Communication with the international community included:

- Making information available to international audiences;
- Launching a website designed as a knowledge sharing tool and in view of ensuring transparency of the project financing and decision-making process;
- Recognizing that the development community, especially advocacy organizations active in the social and environmental sector, monitors all large infrastructure projects, and organizes campaigns around specific projects

First results of communication work include:

- Local communities confident and cooperative;
- Community conflict solved;
- Lack of opposition to the dam project;
- Communication included in the project design (Project Appraisal Document, Development Grant Agreement and Project Implementation Plan);
- Website as a useful interactive tool (involvement of Sierra Leone's diaspora – large majority of website visitors).

5.1.4 Lessons learned

Lessons learned include:

- **Importance of understanding the context**
  - Retrace history of infrastructure project
  - Identify stakeholders and assess their perceptions
- **Involving stakeholders in project design**
  - Start consulting stakeholders from the beginning of project identification
  - Establish or strengthen credibility with local communities
  - Support local communities in identifying their needs
- **Communication in project implementation**
  - Organize information to be referenced officially
  - Ensure transparency

- Entrust autonomy to the Communication Unit

- **Ensuring proper internal communication within the project team**

5.2 Information disclosure

Basic principles of information disclosure that are described in the IFC Handbook (IFC' 2007a) are presented below. These include the following good practice principles:

- Be transparent;
- Apply good practice principles;
- Weigh the risks and benefits;
- Carefully manage information on sensitive and controversial issues.

Box 4 summarizes the contents of a draft Information disclosure policy recently produced by the World Bank and that encourages information disclosure to the greatest extent possible. An example of information disclosure based on the Ribble River Basin planning process in the United Kingdom is provided in Box 5. An example of identification of options to address stakeholder needs over different time frames for the Olifants River Water Resources Development project (South Africa) is presented in Box 6.

5.2.1 Be transparent

Being transparent can be defined as being forthcoming with information whenever possible. This involves increasing transparency and accountability as a means of promoting understanding about the project and engendering public trust. It also involves paying attention to public perceptions. A lack of information can lead to the spread of misinformation about a project that is both damaging to the concerned development agency and undermines efforts to engage in an informed dialogue with stakeholders.

Box 4: The World Bank's new Draft Disclosure Policy (2009)

The World Bank's new Draft Disclosure Policy rests on four principles:

Principle 1: Maximum access to information

The transparency and accountability in the development process is of fundamental importance. The disclosure policy gives public access to all information in the WB possession, subject only to a limited set of exceptions.

Principle 2: A clear list of exceptions, easier to interpret and implement (ex: personal information, sensitive information from member countries or third parties, information subject to attorney-client privilege)

Principle 3: Clear procedures for processing request of information

The WB would routinely post as much information as possible on their external website and would adopt clear and cost-effective procedures for processing requests for information. This includes defined timelines for decision-making and responding to requests.

Principle 4: The right to an administrative appeals process

The World Bank recognizes the right of requesters to an administrative appeals process if they believe that the WB have unreasonably denied them access to information that should be publicly available under the WB disclosure policy.

5.2.2 Apply good practice principles

Applying good practice principles involves disclosing early, with the aim of providing relevant information to targeted stakeholders before decisions. It also requires: 1) disclosing meaningful and objective information; 2) ensuring the accessibility of information; and to the extent possible, 3) being open about the benefits and drawbacks of the project. It also involves adjusting information disclosure to the needs of public consultations in order to provide participants with the information they need (and the time required) to participate in an informed manner.

Box 5: Information disclosure as part of Ribble River basin planning (United Kingdom)[4]

Ribble River basin planning was implemented as a pilot project to test European Union guidance on public participation and river basin planning processes with focus on water supply, flood risk management and recreation. The first three stages, comprising a sectoral and stakeholder analysis, communications plan, and development of a vision, were completed by mid-2004, taking 14 months. It was monitored under the European Union/European Commission-sponsored project Harmonising Collaborative Planning (HarmoniCOP) designed to improve public participation in river basin planning in European Union Member States. Criteria on which the process was to be evaluated were developed in conjunction with the Environmental Agency, which ran the planning process. The HarmoniCOP project assessed and reported on how successful the process had been in ensuring actor participation. Stages 1–3 of the Ribble pilot were evaluated through participation observations, questionnaires at stakeholder events and key actor interviews (Davis and Rees 2004).

Responses from stakeholders demonstrated that the process to date had been worthwhile and that all the objectives of the process had been in part, or mostly, achieved. The process review found that stakeholders had a clearer understanding of the issues; stakeholder expectations were managed; and relationships between organizations helped understanding of wider issues and other points of view within the basin. On the other hand, some sections of the community were underrepresented; and the process was limited by the financial constraints of the environmental impact assessment. Mechanisms that fostered social learning were also identified.

5.2.3 Weigh the risks and benefits

Weighing the risks and benefits of information disclosure includes considering whether disclosure of information may: 1) unnecessarily raise people's expectations; 2) cause speculative behavior; or 3) generate unnecessary fears. However, such considerations must be weighed against the need for stakeholder groups to be informed in order to protect their interests.

5.2.4 Carefully manage information on sensitive and controversial issues

Managing information on sensitive or controversial issues, such as land acquisition and involuntary resettlement, involves:

- Tailoring information to different affected stakeholders;
- Presenting the 'facts' and being as transparent as possible;
- Explaining uncertainties, and the outer boundaries of these uncertainties (worst, best, and most likely scenarios);

[4] UNEP - DDP Secretariat. 2007.

- Explaining what input is needed from stakeholders and how it will be used in the decision-making process;
- Explaining what stakeholders can do and whom they can contact to get more information.

Box 6: Identification of options to address stakeholder needs over different time frames for the Olifants River Water Resources Development project (South Africa)[5]

As part of its mandate to assess national water requirements and in preparation of the National Water Resources Strategy, the Department of Water Affairs and Forestry of the Republic of South Africa did an assessment of water requirements for main water sector users in the Olifants catchment for the period 2002–2020 and beyond. The Olifants River Water Resources Development project was formulated to address the water needs of numerous stakeholders. The main objective of the project was to determine the most suitable options for providing water to meet the current and future water needs of all sectors in the middle parts of the Olifants catchment and in parts of the Mogalakwena and Sand catchments.

Key elements of the project were the identification of the needs of the area through the use of development models, including a high and low water use model. Water requirements under both scenarios indicated that the demand was beginning to outstrip the available water. Options to supply and conserve were, therefore, developed to meet requirements. Investigations showed that a combination of raising an existing large dam plus the construction of a new one, combined with localized small-scale use of groundwater and more reuse of effluents by the mining industry, would result in the project area meeting its water needs over time.

However, many stakeholders were of the opinion that new resources should not be developed without ensuring an efficient use of water. Thus, the final recommendations arising from the assessment of the configuration of options involved infrastructural and non-infrastructural components. The latter comprised water-saving measures combined with additional water recycling and reuse, controlled development of groundwater resources and provision for the requirements of the ecological reserve. The ecological reserve is defined in the National Water Act as “the quantity and quality of water required to protect the aquatic ecosystems of the water resource in order to secure ecologically sustainable development and use of the resource”. The recommendations also addressed institutional arrangements and financial options.

5.3 Supporting negotiations and partnerships

Basic principles of negotiations and partnerships include understanding when you should negotiate, negotiating in good faith, choosing a style of negotiation that is likely to build relationships and negotiating strategic partnerships (IFC, 2007a).

5.3.1 Understanding when you should negotiate

Consultations and negotiations are different processes, but one process may lead to the other. While consultation tends to be more open-ended, with the intent of exchanging views and information, negotiation intends to reach agreement on a specific issue or set of issues.

5 UNEP - DDP Secretariat. 2007.

Negotiation is useful in certain circumstances, notably when there is a need to arrive at an agreement from stakeholders in order to proceed (ex: when seeking rights to land and other resources or for land acquisition and involuntary resettlement).

A negotiated agreement can be also appropriate in sensitive situation where stakeholder concerns represent a significant risk to project planning and implementation. A signed agreement can provide clarity, predictability and security to stakeholders by detailing commitments by the proponent and the roles of affected parties.

Box 7 provides an example of a negotiated agreement with Cree indigenous communities for Hydro-Québec's Eastmain 1-A powerhouse and Rupert River diversion hydroelectric project, in Canada, as well as an illustration of public communication consultation techniques and tools used for the project.

Box 7: Negotiated agreement and public participation techniques and tools used for Eastmain 1-A powerhouse and Rupert River diversion hydroelectric project, Canada[6]

The Eastmain 1A and Rupert diversion project is currently under construction and involves the Eastmain and Rupert Rivers in northern Quebec, Canada. This 770 megawatt project aims to augment existing generation of power by diverting some water from the Rupert River and constructing two other powerhouses at an already developed site. The river is of significant cultural value and runs through the territories of six indigenous Cree communities. A series of informal meetings and public assemblies with senior Hydro-Québec managers and Cree leaders and the communities and a signing of a nation-to-nation agreement between the Cree and the government of Quebec resulted in the Boumhounan Agreement in 2002, which confirmed a partnership approach. The indigenous Cree were then involved at all phases of the project, from the concept onwards. The Cree provided ecological and traditional knowledge, and participated in a joint study group and field investigations to conduct environmental and social impact assessment data gathering and analysis.

The process was supported by locally employed Cree coordinators and fully equipped information and work offices in the communities, which provided a continuous forum for exchange, access to information and videos translated into Cree language. The Cree were afforded time (more than three years) and financial resources to assess, consult and understand the nature and scope of the project, and were assisted by specialists and lawyers. Special funds were provided for a joint non-profit corporation for construction of remedial works and implementation of mitigation measures, and economic and community benefits such as training, employment, contracts and environmental guarantees.

Under Canadian and Quebec legislation, a review panel comprising experts, including Cree representatives, held public hearings in the six Cree communities affected and in the cities of Chibougamau and Montreal. Hearings encouraged an exchange of views and commenced more than 45 days after public release of the impact statement, translated into relevant languages. In all, participation methods ranged from face-to-face meetings with key individuals, large public assemblies, joint data gathering groups and field trips, collaborative discussions about project design and the development of economic benefits, and more formal public review procedures where views of all parties could be shared. Civil society representatives noted that this case also illustrates how the principle of free, prior informed consent led to the success of the initiative.

6 UNEP - DDP Secretariat. 2007.

5.3.2 Negotiating in good faith

Key principles to negotiating in good faith include:

- Involvement of legitimate representatives;
- Willing engagement free from coercion or intimidation;
- Joint exploration of key issues of importance;
- Equal access to the best available information;
- Use of participatory approaches;
- Accessibility in terms of timing and location;
- Provision of sufficient time for decision-making;
- Mutual respect and sensitivity for cultural and other differences;
- Flexibility, consideration of multiple options, and willingness to compromise;
- Documented outcomes;
- Inclusion of a grievance mechanism to address any issues arising in the implementation of the agreement.

5.3.3 Choose a style of negotiation that is likely to build relationships

It is preferable to choose a style of negotiation that is likely to built relationships by searching for 'interest-based' consensual agreements rather than for 'the best possible deal' and driven by principles of joint problem-solving and consensus-building.

5.3.4 Negotiating strategic partnerships

Strategic partnerships are about joint activities and collaborative efforts based upon common interests. General characteristics of effective partnerships include:

- A common objective or strategic interest;
- The pooling of cash or in-kind resources by all parties;
- Sharing information, transparency and joint fact-finding;
- Drawing on the core and complementary competences of each of the parties;
- Sharing the risks and benefits associated with the venture, both financial and reputational.

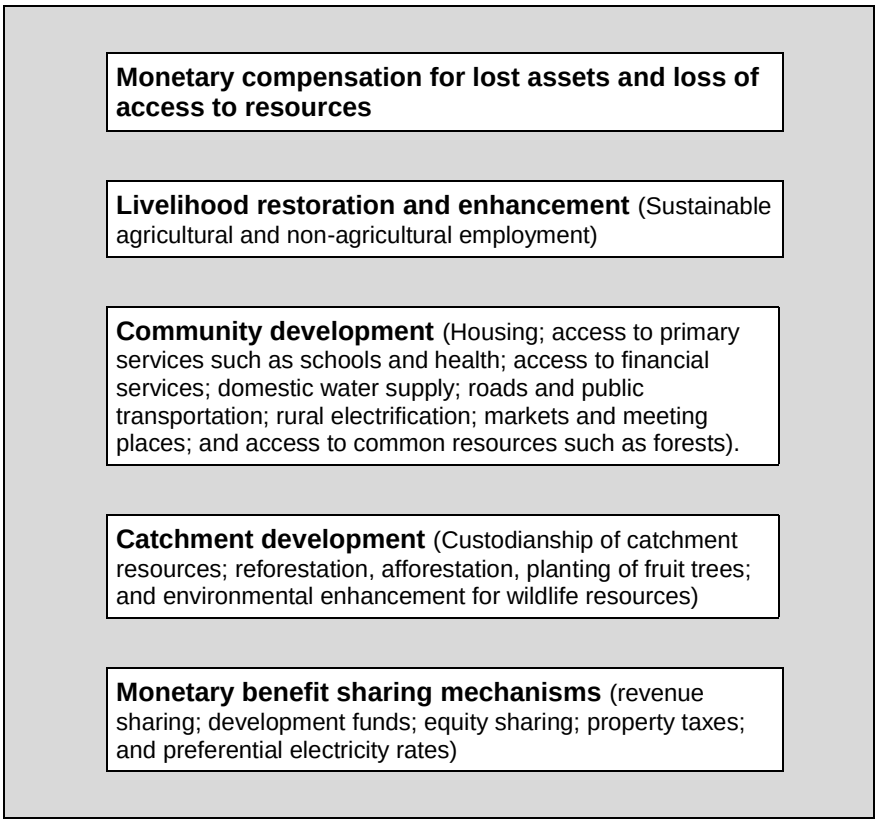
5.4 Implementing benefit-sharing mechanisms

The general compensation policy framework that applies to populations that are adversely affected by dams is presented in Table 4. It normally includes: 1) monetary compensation for lost assets or loss of access to resources (which is a requirement under most national laws); and 2) the funding of "non-monetary benefit sharing mechanisms" such as livelihood restoration and enhancement programs, community development programs and/or catchment development programs (that are required under international guidelines and under some national laws).

In a number of countries, this general framework also extends to "monetary benefit-sharing mechanisms" in order to ensure that local communities benefit from the development of resource extractive activities such as dams, forestry, mines or fisheries[7].

[7] Section 5.4 of the Manual is entirely drawn from research produced by the author for a Compendium of Best Practices for Dams produced for UNEP Dams and Development Project in 2007.

Table 4 Main compensation and benefit-sharing mechanisms



5.4.1 Need for benefit sharing from dams

One of the key points put forward by the World Commission of Dams (WCD) report[8] is that "dams have made an important and significant contribution to human development, and the benefits derived from them have been considerable." These benefits are varied and include power generation, flood control, irrigation, industrial and domestic water supply, navigation, as well as recreation. However, the WCD report also states that "in too many cases an unacceptable and often unnecessary price has been paid to secure those benefits, especially in social and environmental terms, by people displaced, by communities downstream, by taxpayers and by the natural environment." Indeed, while the primary beneficiaries of dams usually live far away from the dam sites; other groups of people in the project-affected area may sustain most of the negative impacts of dams. For instance, power generation often benefits urban populations and industries located far away from the project-affected area. In other instances, water provided for irrigation may benefit small groups of farmers located downstream of the dam. In view of this, dam proponents, operators, and regulators need to also commit to support measures for development and welfare opportunities for local and regional communities that are negatively affected by the dam. One way to fulfill this need is to share part of the benefits generated by dam operation with these communities.

In the case of dam-induced forced population displacement, research shows that compensation for lost assets is not alone sufficient to secure the productive and enduring reestablishment of those displaced. As a result, since the early 1980s, international standards have stressed the need both for: 1) equitable compensation of all affected parties; and 2) rebuilding affected communities and supporting the development of affected parties' livelihoods. A consensus is emerging that "…proper

[8] World Commission on Dams. 2000. *Dams and Development. A New Framework for Decision-Making*. Earthscan Publications Ltd, London and Sterling, VA.

socio-economic reestablishment requires more than paying the fair market value of the condemned land" … " the stream of benefits created by the project should also be tapped to provide direct benefits and resources for resettlers"[9]. Therefore, one of the key elements to be taken into account in compensation policies is the sharing of part of the benefits generated by dam operation with affected communities, as recommended by the World Commission on Dams, the International Energy Agency's Guidelines on Hydropower[10] and the Environment and the International Hydropower Association's Sustainability Guidelines[11].

5.4.2 Rationales underlying monetary benefit-sharing

Monetary benefit-sharing is based on the premise that dam projects may generate a significant economic rent that can be shared with project-affected populations. Economic rent is the surplus return which exceeds the normal return on capital. Such a rent arises because the company is exploiting a natural resource whose development depends on site-specific hydraulic, topographical and geological conditions. Since natural resources are considered public goods, governments, in the name of the public, may thus try to "capture" the rent through royalties, fees or other mechanisms and deliver it back to the public. This is common practice in the oil and gas, mining, forestry and fishing sectors.

It is rare, however, in the hydroelectric power sector, where governments typically regulate tariffs in such a manner that the resulting rent flows to electricity consumers in the form of lower tariffs. Those who consume more electricity will get more of the rent and, depending on conditions in the exported goods market, some of the rent can even go to foreign customers. The situation is similar in the case of other water uses made possible through dams. Irrigation fees, water fees or navigation fees generally reflect at best the actual cost of the dam. In the case of flood control, populations benefiting from reservoir storage capacity do not pay for this benefit.

The need to provide additional compensation to project-affected people is recognized in the legislation on revenue transfers from hydropower projects in countries such as Brazil, China, Columbia, Japan, Nepal and Norway. In cases where they are not required by law, the interest of monetary benefit sharing mechanisms mainly resides in their potential to support long-term beneficial partnerships between developers and concerned communities. Monetary benefit sharing mechanisms can be used as a way for a developer to establish a partnership with local populations, including project-affected populations (if any) or as a means to establish a long-term regional economic development fund. Monetary benefit sharing mechanisms can thus be implemented even in cases where there are no project-affected people.

Such partnership agreements are probably the most innovative forms of monetary benefit sharing. They can take various forms depending on the development priorities of local communities, such as part or full community ownership of the dam project or community development funds. For the developer, a partnership provides an assurance of the local acceptance of the project, thereby reducing the level of risk and the cost of lengthy feasibility studies and authorization processes. For the local communities, it is recognition of their entitlement to a share of the economic rent generated by the dam as well as a say in the management of local water resources. Such mechanisms provide: a) a source of funding over the long term; b) enable local and regional entities to set their own priorities and to minimize their dependency towards the developer and the State; and c) facilitate adaptive management.

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9 Van Wiclin III, Warren W. 1999. Sharing Project Benefits to Improve Resettlers' Livelihoods. In The Economics of Involuntary Resettlement. Questions and Challenges edited by Michael Cernea. World Bank.

10 International Energy Agency (IEA). 2000. Hydropower Agreement. Annex III/5: Hydropower and the Environment: Present Context and Guidelines for Future Action, Vol. II: Main report, Vol. III Appendices.

11 International Hydropower Association. 2004. Sustainability Guidelines.

5.4.3 Types of monetary-benefit sharing

Monetary benefit sharing mechanisms applied to dam projects are relatively new. In several instances, the mechanisms have been developed recently and outcomes have been only partially evaluated. Five types of mechanisms may be considered:

- **Revenue sharing:** because exact measurement of the economic rent from dam projects is difficult, revenue sharing through taxes on revenues or royalty regimes has often been used to attempt to capture some of the rent, without explicitly measuring it. Such mechanisms may be the result of negotiations between local or regional authorities and the promoter or may be defined in the legislation;
- **Development funds:** developments funds financed from power sales, water charges, etc. may be established to provide seed money for fostering economic development in the project-affected area;
- **Equity sharing or full ownership:** a variety of mechanisms may allow local or regional authorities to partly or fully own a dam project. Local authorities thus share the risks of the venture but also its profits, if any. Moreover, they may in certain cases gain a degree of control over the design and operation of the project;
- **Taxes paid to regional or local authorities:** two main types of taxes paid to regional and local authorities can be considered. In some countries, the State allows local or regional authorities to directly tax dam owners on the dam's property value or other basis. Taxes to be paid to regional and local authorities can also be defined in State legislation, sometimes as a percentage of project sales or net income. In the latter case, this mechanism is similar to revenue sharing;
- **Preferential electricity rates or other water-related fees:** this mechanism is a form of revenue sharing since it results in fewer revenues for the dam owner and in avoided costs for beneficiaries.

When the monetary benefit -haring framework is defined in legislation, it often takes the form of transfers of part of the revenues from hydropower projects to municipalities or regional entities. This is the case in the Brazilian, Chinese, Colombian, Japanese and Nepalese legislation. While these legal frameworks do not directly address project-affected people, they may benefit from the infrastructures and services put in place with the funds received from the projects. This type of legislation can thus be considered as a positive step towards equitable sharing of benefits from hydropower development, provided sound mechanisms are implemented to manage the funds received by municipalities or regional entities.

5.4.4 Implementation requirements for monetary benefit-sharing

The performance of monetary benefit sharing mechanisms largely depends upon the way they are conceived and implemented. They require the consideration of the following elements:

- Existence of an economic rent and financial constraints;
- Selection of appropriate mechanisms and fostering of adapted frameworks;
- Involvement of local communities;
- Efficiency of redistribution of benefits.

5.4.4.1 Existence of an Economic Rent and Financial Constraints

The economic rent from dam projects is difficult to measure and monetary benefit sharing mechanisms generally capture some of the rent without explicitly measuring it. However, the

prerequisite to benefit sharing is the very existence of such a rent. Ideally, this rent should be measured so as to determine what can be shared with the project-affected population. However, even if the existence of an economic rent can be demonstrated and measured, it does not mean that monetary flows from dam operation allow for benefit redistribution independent of other circumstances. This may occur in situations such as regulated electricity rates that do not cover the actual supply cost of generating power; benefit transfers based on a percentage of revenues that result in financial losses for the dam owner; irrigation fees that do not recover capital cost.

Government subsidies may be used to balance financial flows when they can be justified on the basis of an economic analysis, for instance when it can be demonstrated that flood control benefits (which do not accrue to the dam owner but are real for the society and can be major) exceed dam capital and operation costs. The sum of profits accruing to the dam owner, of benefits accruing to local communities and of taxes on profit or water-use fees collected by the government, should not exceed the economic rent. In practice, only two examples identified in our research, the Columbia Basin Trust and the Lesotho Fund for Community Development are based on an explicit measurement of the economic rent. Revenue transfers through taxes on revenue or royalty regimes implicitly or explicitly recognize the existence of an economic rent. For instance, the rent tax in Norway is justified by assuming the existence of an economic rent without explicitly measuring it. Equity sharing, in turn, does not require the explicit measurement of the economic rent but the design of this mechanism is based on the assumption that the project will generate profits that reflect at least part of it.

5.4.4.2 Selection of Appropriate Mechanisms and Fostering of Adapted Frameworks

Most types of monetary benefit sharing mechanisms are defined in law by the State. The percentages and destination of the funds to be transferred to local and/or regional authorities are generally specified, such as in the case of the Chinese legislation on “post resettlement and rehabilitation for hydropower projects”. However some types of mechanisms, such as equity sharing that may be used within the context of a partnership agreement, aim to reconcile the interests of the developer and those of local communities. In practice, defining the appropriate levels of monetary benefit sharing constitutes a complex task that involves reconciling the interests, goals and values of the following categories of stakeholders:

- **Developers:** developers bring capital as well as technical and managerial expertise to build and operate the project. Large dam projects require a high level of investment. They require a long lead time before entering into operation and their period of use typically extends over several decades (50 to 100 years). Payback periods are thus much longer than for most other electricity generation projects. Under such conditions, any mechanism such as equity sharing that may lower the risk of social, institutional and political unrest in the long term will be highly valued by developers. Developers will also favour reaching a consensus with interested parties over project design and project benefits early on in the planning process so as to avoid unnecessary expenditures and efforts;
- **Project beneficiaries:** dam projects are often multi-purpose projects that generate significant benefits over and beyond issues related to monetary benefit sharing with affected populations. Most project beneficiaries are generally located far away from the dam site and expect to benefit from the services provided by the dam at the lowest price or fee possible, or even for free. Most beneficiaries have little or no knowledge of local and regional impacts related to dam construction and operation;
- **Local communities, project-displaced and other affected people:** dam construction and operation affect to various degrees the uses of water resources and other resources as well as ways-of-life of regional and local populations. In addition, project-affected people form heterogeneous groups with regards to occupations, revenues, values, education, social

organisation, etc. Several subcategories can thus be generally defined in relation to expectations and issues raised by a dam project. Local communities can claim entitlements to a share of project benefits as they contribute to project development by sacrificing – voluntarily or not – the access to or use of natural resources in the project-affected area: "those who give their lands to the new project are in fact "investors of equity" in those new projects. As investors they are entitled to a share of the benefits;"

- **The State:** many institutions are concerned by dam projects, e.g., land use and resource management, manpower, health or economic development agencies. Furthermore, the State has the responsibility to establish legal guidelines for the use of natural resources and, when required, for resolving dilemmas raised by projects that exploit such resources.

5.4.4.3 Involvement of Project-Affected Communities

In cases where monetary benefit sharing mechanisms are not legally prescribed by the State, project-affected communities should be meaningfully involved in defining the provisions of the benefit sharing mechanism and these provisions should be viewed as fair by those affected. The project-affected population is indeed best placed to decide what constitutes an improvement in their quality of life and also has first hand knowledge of local and regional potentials and constraints. A benefit sharing mechanism should thus allow for the involvement of concerned populations in the design of the mechanism and planning of the use of their share of the benefits received from the dam project. Partnership agreements that gain the support of all stakeholders involved, such as in the case of the Jondachi Project in Ecuador, illustrate the meaningful involvement of local communities.

5.4.4.4 Efficiency of Redistribution of Benefits

The process used to transfer revenues to project-affected populations should contain steps, provisions and safeguards to ensure that the goals of the mechanism are achieved, especially in the case of mechanisms aiming at providing additional long-term compensation to affected populations. In the first place, the goals should be clearly spelled out. Possible uses of the funds, in relation to the goals, should be defined. Separate budgets may be established for each category of uses.

In practice, national legislation on revenue transfers or development funds, such as the Brazilian legislation or the Lesotho Fund for Community Development, do not ensure that those affected by dams actually benefit from transfer payments because one or several of the conditions described above are not met. However, the Columbia Basin Trust negotiated between Canada and the USA exemplifies several approaches that maximize the efficiency of monetary benefit sharing mechanisms, in particular the funding of activities covering a wide array of economic, environmental and social objectives that all contribute to sustainable development in the project-affected area. The efficiency of monetary benefit sharing mechanisms, other than equity sharing, generally depends on the existence of a strong and sophisticated public administration system, such as in the case of the Norwegian legislation relating to taxes and license fees.

Local community governments, which are sometimes ill equipped to manage large sums of money and complex procedures, should be assisted to strengthen their institutional capacity. Transfers of money to local communities may represent very important sums and raise the concern that they may not be used in the manner intended by an agreement or by relevant legislation. They also may involve risks of embezzlement and corruption. The accountability of implementing agencies entrusted with the redistribution of benefits is thus a basic requirement. A transparent process, involving all stakeholders and disclosing publicly how benefits are invested as well independent audits, would provide greater assurances that the proceeds are effectively spent on projects that truly benefit project-affected communities.

An example of Hydro-Québec's benefit-sharing approach with indigenous communities is provided for the Minashtuk Hydroelectric Project in Box 8.

Box 8: Hydro-Québec's benefit-sharing approach with indigenous communities: The Minashtuk Hydroelectric Project[12]

Hydro-Québec is an electricity producer and a major North American distributor owned by the Government of the Province of Québec in Canada. Under Hydro-Québec's 1998-2002 strategic plan, three self-imposed essential conditions must be met for Hydro-Québec to undertake any new project: 1) the project must be profitable under market conditions; 2) the project must be environmentally acceptable according to the principles of sustainable development; and, 3) the project must be well received by local communities. The 9.9 MW Minashtuk Project, commissioned in 1999, illustrates this approach. The Minashtuk Project constitutes an equity sharing type of monetary benefit sharing mechanism used within the framework of a partnership agreement between the Montagnais Amerindian Community of Lac Saint-Jean and Hydro-Québec. A determining factor of success for this type of mechanism is the capacity of the local community to invest and/or borrow funds. In the Minashtuk case, the limited partnership form of company used to develop the project and Hydro-Québec's commitment to buy all of the electricity generated by the project under a 20-year contract provided the necessary conditions for local community to invest. Replicating this type of arrangement in other contexts requires that the local community benefit from a long-term power purchasing agreement that enables to assume the financial risks involved. The success of such mechanisms also depends on the early involvement of local communities from the planning of the project.

5.5 Guidelines for stakeholder participation in IWRM

Stakeholder consultation is a requirement for the establishment of a Basin Development Plan. This can be assisted by development of consultation guidelines (such as the Mekong River Commission – MRC – Stakeholder Consultation Guidelines). MRC Stakeholder Consultation guidelines refer to 'stakeholders internal to the MRC' and 'stakeholders external to the MRC'

Both internal and external stakeholders are to be given genuine opportunity to participate in all stages of the Basin Development Plan development process. Internal stakeholders refer to 'the MRC family' of organizations which collectively comprise the Mekong River Commission (MRC Council, MRC Joint Committee, MRC Secretariat, National Mekong Committees and their secretariats)

The principal Line Agencies in each country – who comprise the membership of the MRC – are also considered key internal stakeholders. Groups of internal stakeholders are responsible for preparing background sector and cross-cutting theme information for consultation forums.

External stakeholders to the MRC Basin Development Planning process include:

- Those who can contribute their knowledge to the process;
- Those who could be affected – directly or indirectly – by the process;
- Those who have an interest in the process.

Besides concerned national government planning and advisory agencies, external stakeholders include:

[12] UNEP - DDP Secretariat. 2007.

- Affected groups (communities and their representatives, i.e. local CSOs/NGOs and community leaders;
- Multilateral or bilateral funding agencies (development partners);
- Concerned international and regional CSOs and NGOs;
- International and regional research institutes and universities;
- Public and private business investors;
- Research and advocacy networks;
- Private interest (consultants, individual researchers);
- Media.

Participation of external stakeholders in the MRC Basin Development Planning process is through a series of forums at sub-area, country and basin levels. Sub-area forums bring together various stakeholders who have an interest in the development of resources in the sub-area and who focus studies and analysis on issues that stakeholders consider as keys to local development. Country forums are intended to integrate local issues and priorities on resource uses with national planning and policy making, and agreeing what should be put forward in the Basin forum. Basin forums are necessary to ensure that 'basin-wide' perspectives are gained. The MRC accomplishments to date include:

- Basin Development Plan 1 established at regional, national and sub-area levels through sub-area forums, national working groups and sub-committees;
- Guidelines for Stakeholder Participation produced in July 2004 (these serve as a framework for regional, national and sub-area forums);
- A number of single sub-area and cross border sub-area forums identifying water and related resource issues and sub-areas situation analysis;
- Work starting on Basin Development Plan 2.

5.6 Concluding note

The network of national CSOs and NGOs that are connected through the Nile Basin Discourse in each of the member countries of the Nile Basin Initiative offers an opportunity to establish partnerships for a Basin Development Planning process in the Nile River Basin.

6. REPORTING DURING PROJECT IMPLEMENTATION

Recommended communication and consultation strategies for project implementation include:

- Stakeholder engagement during construction and operations, including stakeholder involvement in project monitoring;
- Reporting back to project-affected stakeholders (importance of follow-through);
- Reaching a wider audience through sustainability reporting, based upon independent evaluations of project outcomes and of technical and financial results.

Tips for reporting back to project-affected stakeholders as described in the IFC Handbook include:

- Regularly reporting to affected and interested parties on the process of stakeholder engagement as a whole;
- Translating information reported to stakeholders into local languages and easily understandable formats (see examples of Newsletters produced by Hydro-Quebec for the Eastmain-1A Powerhouse and Rupert River Diversion Project).

6.1 Stakeholder engagement during construction and operations

6.1.1 Construction stage

Tips provided in the IFC Handbook (IFC, 2007a) for managing engagement with stakeholders during construction include:

- Identifying stakeholders most likely to be affected by construction;
- Notifying local stakeholders of construction activities and of changes to schedules;
- Getting community liaison staff on the ground quickly;
- Aiming for rapid response times in resolving grievances**;**
- Reporting to stakeholders on progress of environmental and social management programs;
- Choosing contractors with the capacity to engage effectively with stakeholders**;**
- Managing risks to stakeholder relations from contractors.

6.1.2 Operations stage

The transition from construction to operations needs to be managed carefully to ensure continuity in relationships. Tips provided in the IFC Handbook (IFC, 2007a) for managing engagement with stakeholders during operations include:

- Managing the transition from construction to operations;
- Periodically reviewing and updating stakeholder information;
- Considering ways to assess stakeholder perceptions;;
- Continuing to disclose, consult and report to stakeholders as needed;
- Ensuring integration of ongoing stakeholder commitments into operations management systems;
- Communicating emergency preparedness and response plans on a regular basis;
- Keeping grievance mechanisms operational;
- Considering establishing a participatory or third party monitoring program;
- For controversial projects, considering establishing an independent monitoring panel.

6.2 Methods and techniques for technical and financial reporting

6.2.1 IFC'S Development Outcome Tracking System (DOTS)

The IFC has recently launched a Development Outcome Tracking System (DOTS) which enables it to conduct systematic results monitoring throughout the project cycle and to gain a comprehensive portfolio view on such results.

The IFC is committed to reporting on the development effectiveness of its activities and publishes development results annually. IFC's development outcome rating captures the overall impact of the project on the development of its host country.

Development outcome is rated on a six point scale, highly successful to highly unsuccessful, and the top three ratings are considered a 'success'. The development outcome rating is a synthesis based on four key performance areas:

- Financial performance;
- Economic performance;
- Environmental and social performance;
- Private sector development impact.

The four key performance areas are in turn informed by achievement of project-specific indicators. For each indicator, clear objectives and timelines are set at the planning stage and are subsequently tracked during implementation. Indicators can be rated as: surpassed, achieved, partly achieved, or not achieved.

The development outcome rating system used by IFC is in line with international standards and allows for an analysis of trade-offs between financial performances (FRR) and development results (ERR).

6.2.2 Framework for financial statements

The framework for preparation and presentation of financial statements deals with:

- The objective of the financial statements;
- The qualitative characteristics that make information in financial statements useful;
- The basic elements of financial statements and the concepts for recognizing and measuring them in financial statements;
- The concepts of capital and capital maintenance.

Users and their information needs include:

1) Present and potential investors (and their advisors);
2) Employees;
3) Lenders;
4) Suppliers and other creditors;
5) Customers;
6) Government and their agencies;
7) General public.

The objective of a financial statement is: "To provide information about the financial position, performance and changes in financial position of an entity that is useful to a wide range of users in making economic decisions."

The **main elements of financial statements** include:

- The **financial position** of an entity is affected by the economic resources it controls, its financial structure, its liquidity and solvency, and its capacity to adapt to changes in the environment in which it operates (e.g. balance sheet);
- Information about the **performance** of an entity, in particular its profitability, is required in order to assess potential changes in the economic resources that it is likely to control in the future (e.g. income statement)
- Information concerning **changes in the financial position** of an entity is useful in order to assess its investing, financing and operating activities during the reporting period. This information is useful in providing the user with a basis to assess the ability of the entity to generate cash and cash equivalents and the needs of the entity to utilise those cash flows (e.g. statement of changes in the financial position)
- **Notes and supplementary schedules.**

Underlying assumptions include:

1) **Accrual basis:** "The effects of transactions and other events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate;"
2) **Going concern:** "The assumption that an entity is a going concern and will continue in operation for the foreseeable future."

Qualitative characteristics of financial statements include:

- Understandability;
- Relevance (predictive, confirmatory and materiality);
- Reliability (faithful representation, substance over form, neutrality, prudence and completeness);
- Comparability.

Constraints on relevant and reliable information include:

- Timeliness;
- Balance between benefit and cost;
- Balance between qualitative characteristics.

The elements of financial statements include:

- **The elements directly related to financial position:**
  1) Assets;
  2) Liabilities;
  3) Equity.
- **The elements directly related to performance:**
  4) Income;
  5) Expenses.

An **asset** is a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.

A **liability** is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Equity is the residual interest in the assets of the entity after deducting all its liabilities.

Income corresponds to increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants.

Expenses correspond to decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

Recognition of the elements of financial statements includes:

- An item that meets the definition of an element should be recognized if:
    a. It is probable that any future economic benefit associated with the item will flow to or from the entity;
    b. The item has a cost or value that can be measured with reliability.
- An **asset** is recognized in the balance sheet when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably;
- A **liability** is recognized in the balance sheet when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably;
- **Income** is recognized in the income statement when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably;
- **Expenses** are recognized in the income statement when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Measurement basis for financial statements include:

1. Historical cost;
2. Current cost;
3. Realizable (settlement) value;
4. Present value (discounted).

The measurement basis most commonly adopted by entities in preparing their financial statements is **historical cost.**

6.3 Reaching a wider audience through independent evaluations and sustainability reporting

In recent years, international technical and financial reporting standards have begun to include requirements for reporting on stakeholder engagement activities and performance. In many cases, new policies and procedures for stakeholder engagement and performance reporting will need to be put in place. International standards for reporting stakeholder engagement include (IFC, 2007a):

- AA1000 Stakeholder Engagement Standard (www.accountability21.net)
- Dow Jones Sustainability Index (www.sustainability-indexes.com)
- FTSE4Good Index Series (www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp)
- Global Reporting Initiative (GRI) (www.globalreporting.org)

- OECD Guidelines for Multinational Enterprises (www.oedc.org)
- SA 1000 (www.sa-intl.org)
- UN Global Compact (www.unglobalcompact.org)

Sustainability reporting is aimed at a wide, multi-stakeholder audience and forms an integral part of overall consultation and communication strategies (IFC Handbook, 2007). Production of an annual Sustainability Report is complementary to project-related information disclosure. Such a report should be reliable and clear, 'material' or relevant to stakeholders, and provide a balanced view of successful and less successful results.

As good practice moves more and more toward verification of information, such reports are frequently independently verified by a third party. Reports should have the following qualities (IFC, 2007a):

- **Materiality –** focusing in detail on the company's key economic, social, and environmental risks, activities and impacts, and how they are being managed, rather than reporting many activities superficially;
- **Stakeholder responsiveness** – providing information that responds to actual stakeholder expectations and interests, rather than only what the business would like its stakeholders to know or "thinks" they want to know;
- **Context** – reporting information that is contextualized so that proper judgments can be made as to their significance. For example, the creation of 50 new jobs may be highly significant in a small, poor rural community, but less significant in a larger economically developed urban area;
- **Completeness** – providing sufficient coverage of issues to enable stakeholders to draw their own conclusions about a company's performance.

The benefits of sustainability reporting include (IFC, 2007a):

- Increased trust and support from key stakeholders (local communities);
- Improved reputation;
- Better relationships with governments and investors;
- Boost to staff morale and loyalty;
- Enhanced ability to bounce back from reputational crises;
- Attractiveness to socially responsible investors;
- Opportunity to improve systems and efficiency.

6.4 Concluding note

Follow-through is critical to the success of stakeholder engagement. Stakeholders will want to know which of their suggestions have been adopted, what risk or impact mitigation measures will be put into place to address their concerns, and how, for example, project impacts are being monitored (IFC, 2007a).

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PROJECT PLANNING AND MANAGEMENT (PPM)

TRAINING TOPIC 8

PROJECT COMMUNICATION AND REPORTING

CASE STUDIES

April 9, 2010

NILE BASIN INITIATIVE
Initiative du Bassin du Nil

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CASE STUDY 1:
RIBBLE RIVER BASIN PLANNING PROCESS[1]

1 OVERVIEW OF BASIN PLANNING PROCESS

Across Europe 19 river basins have been chosen as pilots to develop new approaches, share practices and learn how the WFD will change water management. The Ribble and West Lancashire area is the chosen pilot site in the UK for testing the EU Water Framework Directive (WFD) which is to ultimately improve water quality.

A number of reservoirs for public water supply are located in the upper reaches of the Ribble River and its tributaries. The Basin is also managed to reduce flood risk and receives discharges form wastewater treatment works and industry, and provide water for irrigation. Urban areas are heavily modified with canals and culverts whereas rural areas provide recreation and salmon fishing. While this case study is not directly related to a specific dam project, it provides an example of good consultation which could be tailored to river basin planning where dams are being planned or operated.

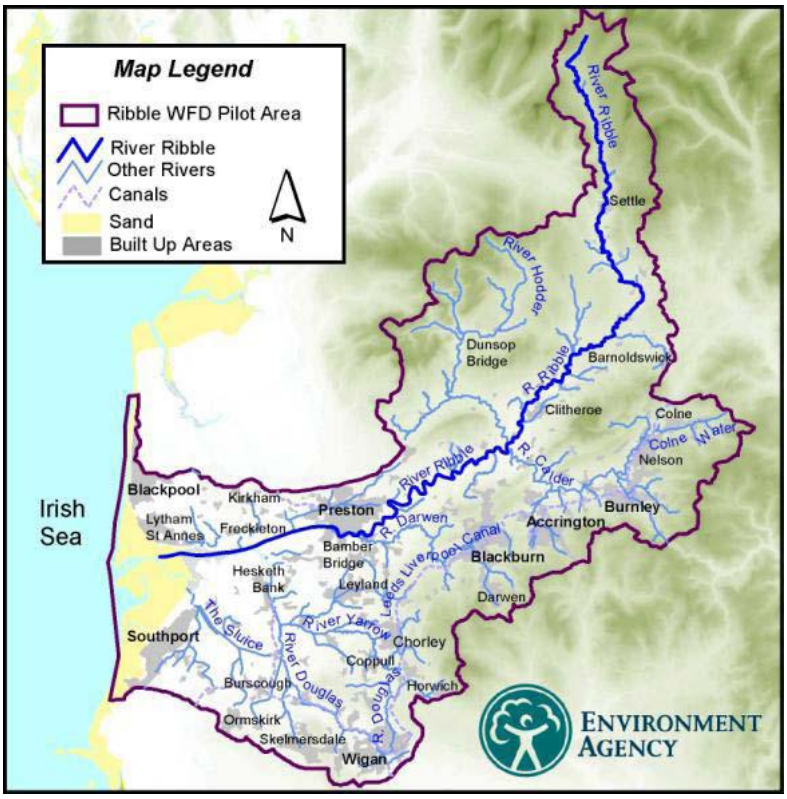

Figure A: The Ribble River Basin
Source: Davis & Rees, 2004

[1] Text extracted from the document : United Nations Environment Programme Dams and Development Project. 2006. Compendium of Relevant Practices - Stakeholder Participation by Vivien Twyford and Claudia Baldwin on behalf of IAP2.

To test guidance on public participation and river basin planning, the Ribble Basin pilot project involves 5 phases:

1. Sectorial and stakeholder analysis
2. Communication Plan
3. Development (incl publication) of a vision
4. Programme of measures for the prototype RBMP
5. Implementation within the case study area.

This case study includes stages 1-3, which concluded with the submission of a report to the European Commission in June 2004.

The RBMP will integrate integrated river basin and coastal zone management and will incorporate requirements of the WFD, Catchment Abstraction Management Strategies, Catchment Flood Management plans, Shoreline Management Plans and Fisheries Action Plans. The Plans will set how environmental objectives for all water bodies within the river basin will be achieved.

The project is led by the Environment Agency working with many other organisations and stakeholders to achieve the objectives of the Directive.

2 STAKEHOLDER CONSULTATION PROCESS

2.1 Phase 1: Sectorial and stakeholder analysis

This was done early to identify local groups and initiatives that may have involvement in development of the RBMP; and to explore how those groups would prefer to participate in the process. An initial list was identified from Mersey Basin Campaign and EA contacts list. A questionnaire was sent to 30 bodies to determine their geographical area of interest; size of group; issues of greatest interest; desired level of involvement; and preferred method of communication (website, mail)

A Stakeholder Forum was established comprised of representatives of all major local and regional stakeholder groups, to help manage engagement and encourage active involvement of stakeholders in the project. At a national level, the Department for Environment, Food and Rural Affairs (Defra) Stakeholders Group was used as the primary communication link for stakeholders. The Ribble Pilot's Stakeholder Forum operated from June 2003 to July 2005 and has now been replaced by the Environment Forum. Stakeholder Forum meeting minutes were available on the project website, as were regular newsletters. (Fox & Bond 2004)

2.2 Phase 2: Communication Plan

A communication plan was prepared by EA to develop key messages and set out the communication strategy for key audiences. The principles used in developing the Communication Plan included:

- use of non-technical language;
- seek comment on the plan by diverse audiences to make sure the messages were clear;
- identify appropriate routes of communication for diverse audiences; and
- ensure consistent delivery of key messages.

Key messages were related to having an opportunity to improve the water environment and water management, and about the EA pilot for implementing the WFD.

2.3 Phase 3: Development of a vision

A vision for the Ribble was initiated through analysis of the past, present and future state of the water environment with the objective of building foundation stones for the river basin management plan, setting out a shared view for the future and the goals to achieve a sustainable water environment.

To create the vision people's ideas were captured through a series of active involvement stakeholder workshops and events across the Ribble Basin throughout February and March 2004. Workshops were facilitated by external consultants to ensure independence, involved 138 stakeholders and lasted from half a day to 2 days. A number of 'Information and Communication Technology' (ICT) tools were tested in an attempt to engage as wide a diversity of stakeholders as possible. Techniques included:

- stakeholder mapping
- stakeholder forum
- individual meetings
- presentations
- scenario/vision building
- expert meetings and workshops
- website
- electronic newsletter
- a perceptions study: a questionnaire survey of a random selection of 1000 households to identify citizens' values, perceptions and interests in becoming involved in river basin planning.

Figure B illustrates the techniques and time frames for the next phase of River Basin Planning.

3 STAKEHOLDER CONSULTATION OUTCOMES

3.1 Outcomes and results

The first three phases were successfully implemented and the Ribble Pilot Project Team reported to the European Commission on the 1st June 2004 on early experiences in Public Participation and River Basin Planning. The report was the culmination of 14 months of intense work and sets out the approaches and techniques used, and the lessons learned. The report is intended to help to promote best practice in public participation in river basin planning across Europe.

The HarmoniCOP project assessed and reported on how successful the process had been in ensuring actor participation. The review found that:

- the process had led to a clearer understanding of issues of all stakeholders;
- while relatively inclusive, some sections of the community, i.e. business and minority groups were underrepresented;
- during visioning, EA worked to manage unrealistic expectations and stakeholders expressed concerns about the end result being based on financial resources of the EA;
- stakeholders felt that EA was more focused on the process of participation and the technical content than the outcomes and relationships between actors;

Figure B

Work Programme for Production of the Ribble Pilot River Basin Plan

Article 14 of the Water Framework Directive identifies the information that the Environment Agency has to make available to the public and to encourage active involvement. The first piece of work is a timetable and work programme for the production of the plan. Below is the timetable for the Ribble Plan which runs a year ahead of the statutory timetable. Included within this programme is a statement of the consultation measures to be taken.

As this is part of the Pilot, any comments on the presentation or content of the work programme would be appreciated. This can be sent to ribble@environment-agency.gov.uk

Deadline	Activity	Consultation Activity	Required Outcome	Who
August-05	Work Programme (Article 14a)	Consultation through publishing Work Programme on Ribble Pilot website	Work Programme - Final Version	All Stakeholders
October-05	Significant Water Management Issues Report - Draft (Article 14b)	Consultation through publishing on website. Hard copies sent out to Environment Forum	Stakeholder Participation on Sig. Issues. Trial use of website for e-consultation	Environment Forum/ Issue Groups / Professional Bodies / General Public
November-05	Programme of Measures - Start Appraisal (Article 11)	Active Involvement through meetings and workshops	Select a Programme of Measures	Environment Forum / Issue Groups
March-06	Significant Water Management Issues Report	Information Provision - Final report published or website & hard copies printed	Agreement over the significant issues affecting the Ribble Basin.	All Stakeholders / Interested Groups
April-06	Programmes of Measures	Stakeholders input will be required throughout plan production. Issue based groups will be set up where needed with a specific focus	Determination of Final Measures	Environment Forum / Issue Groups
April-06	Start Writing Prototype River Basin Management Plan	Active Involvement through meetings, face to face discussions and workshops	Draft - Prototype River Basin Management Plan	Environment Forum / Issue Groups
August-06	Prototype River Basin Management Plan Draft	Consultation through publishing plan on Ribble Pilot website. Hard copies sent to stakeholders	Effective consultation allowing amendments to be made to the PRBMP	Environment Forum/ Issue Groups / Professional Bodies / General Public
July-07	Prototype River Basin Management Plan & POMs - Final	Information Provision - Final report published or website & hard copies printed	Agreement of the final PRBMP	Environment Forum/ Issue Groups / Professional Bodies / General Public

Work Programme | Significant Water Management Issues Report | Programme of Measures | Prototype River Basin Management Plan

- interviews revealed that relationships developed between organisations in this process have helped in understanding wider issues and other points of view within the basin (Davis & Rees 2004).

3.2 Challenges and opportunities

Mechanisms fostering social learning

The HarmoniCOP review identified the following mechanisms that fostered social learning:

- linking to issues of high public interest;
- identifying terms of reference for the Stakeholder Forum early and preparing a communication plan which demonstrated commitment to public participation and leading to ownership of the process;
- delegating leadership through ensuring stakeholders took a role in the forum and events;
- open-minded approachable basin management team with strong communication skills;
- attendance of senior EA representative at events;
- use of external facilitators to help build mutual trust in the process and reframe to find a common language and method of defining issues acceptable to all actors;
- early involvement of partner organisations in process design leading to ongoing commitment to the process;
- wide diversity of stakeholders leading to greater mutual understanding of issues;
- visioning and publishing results such as technical assessment;
- use of maps to gain input from meeting participants;
- use of web and interactive tools, along with traditional routes.

Barriers to social learning

Barriers to social learning were:

- lack of inclusion of cultural and ethnical diversity of region and key sectors e.g. industry in spite of attempts;
- some representatives feeling their input was not taken on board;
- lack of meeting notes, which would be helpful if a substitute was needed;
- suggestions beyond the scope of the process eg scenario modeling;
- lack of time in process to include wider range of stakeholders eg minority groups and schools and timing events to attract certain sectors eg farmers;
- misjudging time needed at workshops for visioning etc;
- more media coverage to give sense of importance and context of process.

EA Report conclusions

The EA Report on Public Participation concluded that:

- testing and developing participation tools supports many of priorities of the Water Framework Directive's Common Implementation Strategy (CIS);
- public participation is vital in engaging the public early in the process and in gaining their confidence and trust;

- the program has motivated stakeholders to be more involved in the planning process;
- in calling for 'Interested parties', they often attracted members of organisations that were already considered stakeholders;
- the next stage of planning will be issue driven and therefore issues will determine the people and organisations that need to be involved;
- integrated River Basin Management goes beyond the aims of the WFD illustrated through public participation within this project.

4 CONCLUSIONS

To this point, the process falls within the "Involve" level of IAP2 participation. Stakeholders' ideas were gathered through dialogue and discussion at workshops and via the Stakeholder Forum. It was clear how public input was taken into account in the Plan.

A key challenge was in regard to the attempts to be inclusive in engaging minority groups and certain industry sectors. They might not have felt comfortable as a representative in a larger group or they might not wish to allocate significant amounts of time for something which might not be a high priority yet about which they have some interest. Completely different strategies for engagement of these sectors may need to be considered in the future, such as targeted surveys, attending specific cultural or industry events, or attending regular meetings of local cultural or industry groups.

A unique opportunity was the collaborative monitoring and assessment of the effectiveness of the pilot with other members of the EU and NGOs. This provided opportunities for sharing the learnings among those who need to apply participative techniques as part of the WFD as well as those who might be the greatest critics.

Finally, the international EU WFD principles translated into England and Wales legislation gave credibility and support to public participation in the River Basin planning process. If this legislation had not existed and it had not been a pilot, the resources to undertake such consultation may not have been made available.

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CASE STUDY 2: SSEA OF POWER DEVELOPMENT OPTIONS IN THE NILE EQUATORIAL LAKES (NEL) REGION

1 PROJECT OVERVIEW

Implementation of the Bujagali hydro-electric project on the Victoria Nile in Uganda, downstream of the Owen Falls dam, was blocked by opposition of international and national NGOs. The World Bank halted funding of the project and a Review Panel was formed to review the project.

The Review Panel recommended that a regional integrated assessment of power options be carried out in order to evaluate the need to build Bujagali. This corresponded to a key demand formulated by groups opposed to the project

The "Strategic/Sectoral Social and Environmental Assessment (SSEA) of Power Development Options in the Equatorial Lakes Region" was one component of the preparatory phase of the Nile Equatorial Lakes Subsidiary Action Program (NELSAP)

The study was carried out for NELSAP under the guidance of the World Bank and with funding by the Canadian International Development Agency (CIDA). The study was carried out in two stages:

Stage I: Burundi, Rwanda and Western Tanzania (2003-05)

Stage II: Burundi, Eastern DRC, Kenya, Rwanda, Tanzania and Uganda (2004-06)

Three reasons prompted separating the study into two stages:

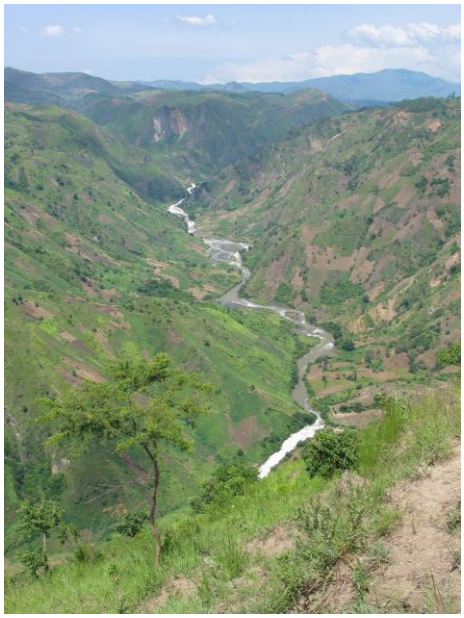


Photo:

- development of power supply in the Kagera Basin in Burundi, Rwanda and Western Tanzania was identified as critical and urgent for the region;
- the power systems in this region were isolated and interconnecting the systems would create a more efficient region wide network;
- a region-wide SSEA was a relatively new concept; thus lessons learned in the first stage of the study could be used to improve the approach when the study was extended to other countries in the second stage.

1.1 Objectives of the stages

Objectives of Stage I of the study were:

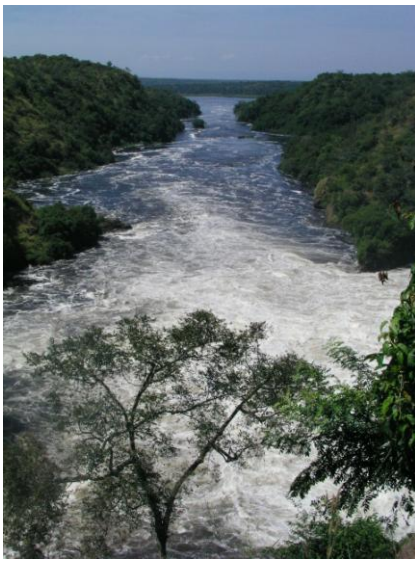
- evaluate power generation options in Burundi, Rwanda and Western Tanzania, taking into account possible interconnections;
- define the best options to meet the expected electricity demand in the Rwanda/Burundi/Democratic Republic of Congo (DRC)-East interconnected network and in

the isolated networks of Western Tanzania, taking into account economic, financial, technical, environmental, social and political considerations;

- allow for informed and transparent decision-making in the selection of power investment.

While objectives of Stage II of the study were:

- extend the study to all of the countries of the Nile Equatorial Lakes Region: rest of Tanzania, to the Eastern portion of Democratic Republic of Congo, Kenya and Uganda;
- undertake an inclusive and participatory sub-regional SSEA of Power Development Options (including interconnections) in all six countries of the Nile Equatorial Lakes Region, integrating the results of the Stage I work in Burundi, Rwanda and western Tanzania.



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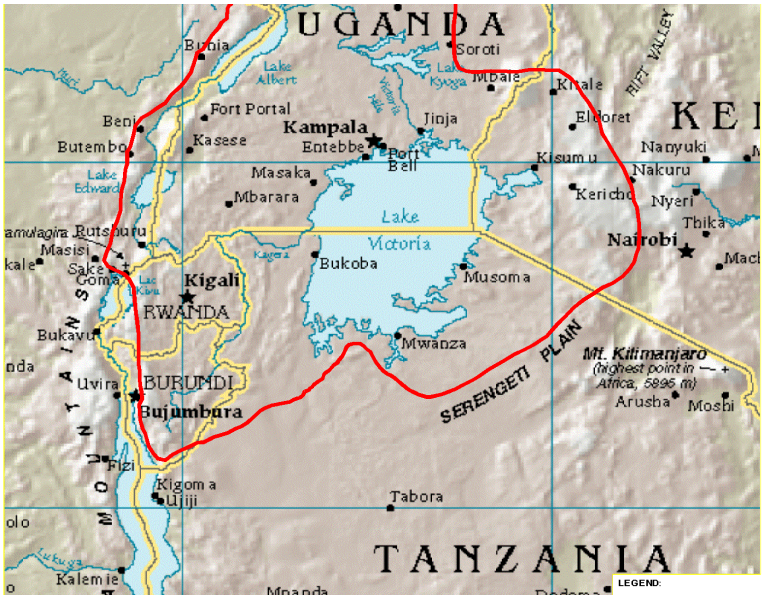
1.2 Sous-titre

A major requirement of the SSEA was that it be based on regional stakeholder consultations. Such consultations were undertaken for the following critical steps of the study:

- inventory of power development options in NEL region countries (thermal, hydro, geothermal, solar, wind, etc.);
- ranking of power development options on the basis of MCA methods (selection of criteria, weighting of criteria);
- definition of strategies to meet power demand;
- development of an indicative sub-regional power development plan (including technical, economic, environmental and social considerations).



2 STAKEHOLDER CONSULTATION PROCESS

Stakeholder consultation was an integral part of the SSEA. A Regional Stakeholder Consultation Plan was developed to maximize the involvement of concerned parties in the project. The purpose of this plan was to incorporate the points of view of public and private institutions concerned by the study at the national and regional levels in the assessment of power development options. The points of view of stakeholders were incorporated at each of the key steps of project stages.

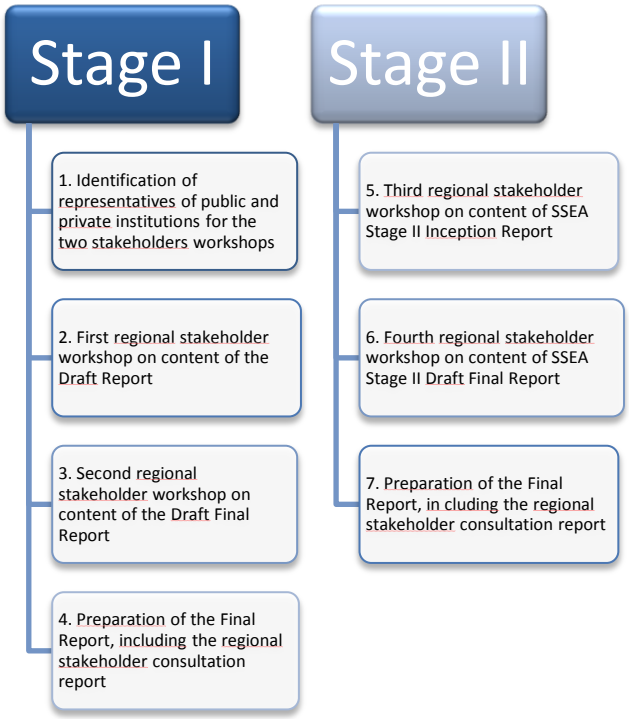
Because of the regional scope of the study, the stakeholder consultation program constituted a regional "pulse-taking" of the issues at hand. Consequences of such approach are that stakeholder representatives consulted were:

- relatively limited in numbers;
- required to speak for large numbers of people at national or regional levels;
- selected in order to cover to the wide spectrum of issues involved in the study;
- selected in order to reflect the concerns of national/regional governments, civil society organizations, and academia.

Two regional stakeholder workshops were conducted during the Stage I of the study. Attendees invited to include:

- 12 Project Steering Committee members (2 power experts per country)
- 30 Stakeholder Representatives (5 per country) selected by the SSEA Steering Committee from among civil society (NGOs), academia (universities and research institutions), religious communities, regional administrations, and relevant government agencies.

The steps of the Stakeholder Consultation Process were the following:



Public information bulletins were prepared in English and French to present the results of the stakeholder workshops and the contents of the reports.

A Web site for the project was available to the public to follow the advancement of the study or provide comments on it's results. Visitors to the site were able to find copies of reports in PDF format, information bulletins produced in the course of the assignment, as well as photos taken during field trips to the region and during the regional stakeholder workshops.

3 STAKEHOLDER CONSULTATION OUTCOMES

The first regional workshop took place in Kigali in May 2004 (2 days) to discuss the content of the First Draft SSEA Stage I Report. The main subjects of discussion covered during the workshop were the following:

- power needs assessment in the sub-region;
- identification of power generation and distribution options;
- selection of evaluation criteria for the comparison of power options;
- ranking of evaluation criteria by order of importance.

Photo 3: First regional stakeholder workshop in Kigali

Photo 4:

The second regional workshop took place in Dar-es-Salaam in September 2004 (2 days) to discuss the contents of the Final Draft SSEA Stage I Report. The main subjects of discussion covered during the workshop were the following:

- review of the regional power needs assessment;
- review of the identification and screening of power options to address short-term, mid-term and long-term needs;
- review and validation of selected evaluation criteria and indicators;
- discussion on the relative importance of evaluation criteria in view of adopting a common ranking of criteria according to three classes of importance;
- review of the methodology adopted for the comparative analysis of selected power options;
- review of the assessment of cumulative impacts and identification of mitigation measures;
- strategies for the development of power investment portfolios.

Photo 5 :

4 CONCLUSIONS

The Bujagali hydro-electric project on the Victoria Nile in Uganda was deemed one of the best evaluated options from a technical, economic, environmental and social standpoint. This assessment was accepted by groups opposed to the Bujagali project as they had actively contributed to the SSEA and supported the participatory study process.

Best evaluated options are presented in the following table and included two other priority power projects: Rusumo Falls hydro-electric scheme and Lake Kivu gas scheme

Table 1: Options to be considered in power development portfolios

Best Evaluated Otions	Other options
Ruzizi III	Murchison Falls
Karuma	Mpanga
Ruhudji	Stiegler's Gorge
Gas Turbine 60 MW gas - generic x 4 units	Ayago South
Combined Cycle gas x 3 units	Songwe
Bujagali	Kalagala
Rusumo Falls	Masigira
Rumakali	Mchuchuma – Coal steam
Geothermal – Generic	Mombasa - Coal
Kivu methane engines 30 MW x 4 units	Upper Kinansi (storage)
Mombasa – LNG	
Kabu 16	
Kakono	
Generic wind	
Mutonga	

Portfolios were developed for, and comparisons made, for three development strategies:

Strategy 1 - Maximise the use of best-evaluated options

Strategy 2 - Technological diversification to avoid over dependence on hydro

Strategy 3 - Geographic diversification to approximately match loads and supply in each country

The completion of Stage II of SSEA resulted in four recommendations:

Recommendation A: Three projects – Bujagali, Rusumo Falls (both hydro) and diesel type generation using naturally occurring methane gas at Lake Kivu – should be implemented as soon as possible.

Recommendation B: A number of other projects, notably: Kabu 16, Kakono, Ruzizi III and Ruhudji (all hydro), geothermal in Kenya and Songo Songo gas-fired plant in Tanzania should be prepared for implementation at an early date.

Recommendation C: The countries in the region should move immediately towards a high degree of power system interconnection and ultimately integration.

Recommendation D: In the DR of Congo, actions should be taken as soon as possible to prepare, develop and finance in the order of 100 MW of existing hydro options that need to be rehabilitated, and to strengthen the associated transmission, in the eastern DRC provinces.

CASE STUDY 3: EASTMAIN-1-A AND RUPERT DIVERSION PROJECT, JAMES BAY HYDROELECTRIC SCHEME, QUEBEC, CANADA [2]

1 PROJECT OVERVIEW

The project is meant to optimise electricity generation at a developed site, Eastmain-1, from 480 MW to 770 MW. It implies the diversion of the Rupert River which runs through the territory of 6 out of 9 Cree Communities.

The Eastmain-1 project concept was already provided for in 1975 by the James Bay and Northern Quebec Agreement, a broad social contract and land claim settlement. Negotiations between the Government of Québec and the Crees resulted in the "La Paix des Braves" in 2002. It included Cree consent to the carrying out of the Eastmain-1-A and Rupert Diversion project.

Photo 1: Eastmain River
Source: Canadian Environmental Assessment Agency website (www.ceaa.gc.ca)

The existing infrastructures at Eastmain-1 include the main dam, the reservoir and one powerhouse. An addition powerhouse (Eastmain-1A) will be built close to the existing one.

Additional inflow brought by the partial diversion of the Rupert River will be generating electricity at an adjacent powerhouse without increasing the reservoir size nor changing its operating levels. The residual flow at the mouth of the Rupert River will be 48% of the original mean flow (423 m^3/sec out of 875 m^3/sec.).

The project comprises four dams and a powerhouse on the Eastmain River with a potential installed capacity of 770 MW. It calls also for the construction of 75 dikes, two diversion bays flooding an area of 188 km^2, eight diversion channels and a 2.9 km tunnel.

The total cost of the project is estimated at CDN$ 4 billion. The proponents expect that the diversion would be completed by 2009 and the Eastmain-1-A powerhouse would be commissioned by 2011.

2 STAKEHOLDER CONSULTATION PROCESS

Over 4 years commencing in 1997, Hydro-Québec (HQ) held information sessions in the Cree communities which would be directly affected by hydroelectric development on the Eastmain and Rupert rivers. Informal and formal meetings were held between senior HQ managers and Cree leaders, with Chiefs inviting HQ representatives to meet them and their community in public assemblies. There was some vocal local opposition, however HQ made it clear and stated repeatedly that it would not impose the project against the will of the Cree communities.

[2] Text extracted from the document : United Nations Environment Programme Dams and Development Project. 2006. Compendium of Relevant Practices - Stakeholder Participation by Vivien Twyford and Claudia Baldwin on behalf of IAP2.

Figure 1: Eastmain 1- A and Rupert Diversion Project components
Source: Hydro-Quebec website

The business partnership, initially proposed was reorganised into:

- monetary compensations provided for in the Nation to Nation agreement previously mentioned (La Paix des Braves);
- employment, contracts and remedial work funds for each of the two projects; and
- a partnership to carry out the environmental and social impact assessment (E&SIA) involving joint field investigation exclusively for the Eastmain-1-A and Rupert Diversion project as provided for in the Boumhounan Agreement.

More specifically, the Boumhounan Agreement (2002) was about joint planning, studying, implementing and operating of Eastmain 1A/Rupert hydropower projects providing special funds, substantial remedial measures, economic and community benefits such as training, employment, contracts, environmental guarantees, and other commitments. It provided mechanisms to create and finance the Boumhounan joint study group to conduct the Environmental and Social Impact Assessment, supported by locally employed Cree coordinators and fully equipped information and work offices in the communities.

During this time the Cree contributed among other things, local ecological and traditional knowledge for the terms of reference for the EIS, data gathering, and results analysis. As a result, the Cree's knowledge about the project improved as did HQ's understanding of Crees' concerns and expirations, resulting in an enhanced project.

Hydro-Québec attributed the following key elements as influencing the Crees to embrace the partnership:

- a corporate strategic plan acknowledging the need for social acceptance of major projects;
- high-ranking officers of HQ personally met with public assemblies which increased mutual understanding;
- Crees were allowed sufficient time (more than 3 years) and financial resources to assess, consult and understand the nature and scope of the project, and were assisted by specialists and lawyers;
- financial resources were provided for capacity building and hiring of Cree coordinators and the project information offices allowing continuous forum for exchange;
- transparency with public access to information, translation of key documents and discussions in language people understood, including videos in Cree language and powerpoint presentations;
- meetings with elders and trappers and measures to favour traditional activities;
- joint field investigation;
- Cree participation in the design, assessment and proposal of environmental and economic options influencing project design;
- planning and implementing remedial works together with affected people;
- HQ's commitments regarding remedial work, training, employment, environmental guarantees, and stimulating economic development through construction and service contracts;
- a joint non-profit corporation for remedial work to mitigate negative impacts by fostering traditional activities e.g. beaver trapping;
- mechanisms to prevent and resolve discords;
- much improved context of nation-to-nation relationship between Cree and Government of Québec based on cooperation, trust and mutual respect allowing for balanced development of natural resources. (Roux & Seelos 2004).

In summary, participation methods ranged from face-to-face meetings with key individuals, large public assemblies, joint data gathering groups and field trips, collaborative discussions about project design and development of economic benefits, and more formal public review procedures where views of all parties can be shared

3 STAKEHOLDER CONSULTATION OUTCOMES

The Eastmain-1-A and Rupert Diversion project was approved following public hearings, part of the impact assessment process. The partnership approach to project planning and development of the impact assessment has resulted in benefits to both HQ and Cree in terms of shared respect, understanding of impacts, and collaboratively designed mitigation measures and benefit

programs. The Chief of the Crees has publicly commented on the improved relationship between the Cree nation, HQ, and the Québec government.

Hydro-Québec assessed its experience by indicating that an important cornerstone for building partnerships was respect of: individuals; local traditions, different value systems; commitments; and legal frameworks.

Core values included negotiating with elected community representatives, relying on transparent decision-making processes guided by majority approval, offering choices and establishing priorities.

Basic principles were effective in supporting partnerships and included:

- dedication to a long-term relationship;
- mutual high-level commitment;
- practicing two-way communication to enhance mutual knowledge and understanding;
- offering opportunities for community development; capacity building; flexibility; financial compensation of residual impacts; and
- participatory decision-making (Roux & Seelos 2004).

4 CONCLUSIONS

This project constitutes a good example of participation or participatory planning. The process involved a legal commitment to incorporate stakeholder views into the decisions to the maximum extent possible. It involved a partnership in joint discovery as part of the social and environmental impact assessment and benefit-sharing.

A World Bank spokesperson said that in working with Indigenous communities, the utility faced two challenges in common with the Bank's own development experiences:

- "to lessen the impacts of their projects and activities on traditional ways of life, and this could be achieved only through meaningful consultation"; and
- "the design, execution and operation of their projects and activities had to lead to benefit-sharing through active participation" of the Indigenous people in the economy (World Bank 2004)

Québec might be different from other locations in that there are choices:

1. Many sites could be developed for hydro-electricity profitably and in an environmentally acceptable way.
2. Natural gas for generating electricity is feasible but would involve a trade-off between the local impacts of hydropower and the global impacts of Greenhouse Gases and impacts on air quality.
3. There is no immediate need to develop additional facilities in Québec (Hydro-Quebec 1996)

In countries where there is less choice, veto power by local communities might be mitigated for projects of national importance, however involving communities in relevant design considerations and remedial actions, capacity building and economic development opportunities still remain (Hydro-Quebec 1996)

A strength of this process was the legal agreements which were signed which provided the basis for a secure commitment to partnership and collaboration. In spite of this collaborative approach, it still remains to be seen if this project is to be fully developed

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CASE STUDY 4: TENNESSEE VALLEY AUTHORITY RESERVOIR OPERATIONS STUDY [3]

1 PROJECT OVERVIEW

1.1 Tennessee Valley Authority

The Tennessee Valley Authority (TVA) is a corporation of the U.S. government headquartered in Knoxville, Tennessee. The corporation was created by a 1933 Act of the United States Congress. As per the TVA Act, TVA manages the Tennessee River and reservoir system as an integrated water control system primarily for the purposes of navigation, flood damage reduction, and power production.

TVA has the broad mandate to foster the social and economic well-being of the residents of the Tennessee Valley region through the wise use, conservation, and development of its natural resources. Its six objectives reflect this emphasis:

1. Improve life in the Tennessee Valley through integrated management of the river system and environmental stewardship
2. Meet customers' needs with affordable, reliable electric power
3. Demonstrate leadership in sustainable economic development in the Valley
4. Continue the trend of statutory debt reduction
5. Reduce TVA's delivered cost of power relative to the market
6. Strengthen working relationships with all of TVA's stakeholders.

TVA operates the system to improve water quality and water supply and to provide recreational opportunities and a wide range of other public benefits. The TVA manages the 650-mile Tennessee River system to provide multiple and often competing benefits to the 8.5 million people living in the seven-state Tennessee Valley region.

The system includes 49 dams, which are managed in an integrated manner to reduce flood damage; produce electricity; enable barges to deliver goods to port; and ensure a supply of water for municipal and industrial use, for cooling TVA's nuclear and fossil plants, and for aquatic habitat.

Recreation on the system's scenic rivers and reservoirs generates millions of dollars annually for the region's economy.

1.2 Reservoir Operation Study

TVA initiated a comprehensive review of its reservoir operating policy. TVA examined a broad range of policy alternatives, which would change reservoir levels and flow releases and their seasonal timing to produce a different mix of benefits. The study concluded with a decision by the TVA Board to adopt a new reservoir operating policy.

[3] Text extracted from the document : United Nations Environment Programme Dams and Development Project. 2006. Compendium of Relevant Practices - Stakeholder Participation by Vivien Twyford and Claudia Baldwin on behalf of IAP2.

The TVA initiated the Reservoir Operation Study (ROS) in October 2001. A programmatic Environmental Impact Statement was prepared by TVA in cooperation with the U.S. Army Corps of Engineers and the U.S. Fish and Wildlife Service. The ROS was concluded in May 2004.

TVA prepared an Environmental Impact Statement to assess the environmental impact of alternate reservoir operating policies on the human environment, threatened or endangered species, and cultural or historic properties. There appears to be no requirement under the TVA Act itself to seek community views. However one of the TVA's strategic objectives is to "Strengthen working relationships with all of TVA's stakeholders".

The changes in operating policy implemented by TVA had the potential to affect numerous biological, physical, cultural, and social resources.

The study process included these major steps:

- conducting public outreach to identify the public's preferred reservoir operation priorities;
- developing, screening, and evaluating 65 preliminary policy alternatives;
- formulating a condensed set of 25 preliminary alternatives by eliminating from further consideration those alternatives that did not meet operating objectives or were not practicable;
- developing a refined set of 25 alternatives based on Interagency Team and Public Review Group review and comment;
- modeling the refined set of 25 alternatives to confirm technical and economic feasibility;
- screening and narrowing the number of alternatives to be considered by combining similar alternatives and bounding the range of possibilities;
- selecting eight alternatives for further consideration (the base case and seven policy alternatives);
- evaluating the eight alternatives through a combination of data collection, statistical analysis, computer modeling, and qualitative assessment and summarizing results in the draft EIS;
- compiling and reviewing comments on the draft EIS;
- conducting additional analyses and developing a blended preferred alternative by combining elements of the alternatives included in the draft EIS that supported increased recreation opportunities, navigation, and other system benefits and by making adjustments to avoid or reduce adverse impacts to other objectives (i;e;, flood risk, water quality, power costs, aquatic resources, wetlands, migratory waterfowl and shorebirds, and shoreline erosion);
- analyzing and discussing the preferred alternative in the final EIS;
- compiling and reviewing comments on the final EIS;
- recommending adoption of the preferred alternative to the TVA Board of Directors.

2 STAKEHOLDER CONSULTATION PROCESS

The Reservoir Operations Study included participation by numerous federal, state, and local agencies and thousands of members of the public across the seven-state Tennessee Valley region. Because the goal of the ROS was to determine whether changes in TVA's reservoir operating policies would result in greater overall public value, effective public participation was considered essential to the study's success.

As part of the public participation process, TVA xx the following:

- TVA did an initial mailing to 66,000 Valley residents (participants in previous environmental reviews or policy studies, subscribers to various TVA publications or contacted TVA);
- TVA established a Web presence and toll-free telephone line and began a series of editorial board meetings and other targeted media outreach;
- community workshops were organized to encourage public comment and participation from all interested parties and provide a longer-term opportunity for relationship building and two-way communications with stakeholders;
- TVA conducted 33 community workshops across the seven-state region to gain input on the desired scope of the study and to present specific policy changes considered in the study.

More than 3,000 citizens attended the workshops, and thousands of others commented through the Web site and other means. To encourage full participation by those attending the community workshops, TVA contracted with a firm specializing in collaboration tools for an innovative, interactive system for encouraging and recording comments. The briefings and workshops featured full-colour displays, fact sheets, and videotapes, as well as subject-matter experts available for group and one-on-one discussions.

In-person, e-mail, and mail updates to local leaders took place regularly, and tabloid-sized newsletter were mailed to interested citizens to introduce the ROS, track its progress, and encourage their participation

TVA also established two groups to ensure that agencies and members of the public were actively and continuously involved throughout the study.

3 STAKEHOLDER CONSULTATION OUTCOMES

The TVA Board adopted the preferred alternative on May 19, 2004, and TVA began implementing the new reservoir operations policy on June 1, 2004 based on the following:

- The belief that it was establishing a balance among reservoir system operating objectives that is more responsive to values expressed by the public during the ROS while remaining consistent with the operating priorities established by the TVA Act
- It was reducing or avoiding unacceptable environmental impacts associated with most of the other alternatives considered.

The reservoir operating policy adopted as a result of the ROS was shaped by public comments concerning the value of reservoir and downstream water-based recreation opportunities. Evidence that other interest groups also were heard is apparent in reservoir operation changes that benefited commercial navigation, environmental, and flood protection interests. In modifying its reservoir operating policy, TVA made specific commitments to monitor possible impacts to numerous sensitive resources.

Assessment of outcomes by involved stakeholders revealed that media reports and direct feedback from public officials on the credibility of the study and its outcomes were highly positive. Some of TVA's most vocal adversaries have since become advocates, playing a lead role in informing others about operating constraints. Editorials in Valley newspapers also have been positive, reinforcing several key messages: the credibility of the study, TVA's responsiveness to public opinion, and the need to manage the river system to balance multiple, competing needs.

In addition, a comparison of opinion surveys conducted at the beginning and near the end of the study showed a significant improvement in public officials' perceptions of TVA: a 103-percent

increase in their view of TVA as managing reservoir levels in a balanced way and an 82-percent increase in their view that TVA has open lines of communication with Valley communities.

Feedback on the community workshops validated the use of technology and the quality of supporting materials. Although some participants indicated that they preferred a more typical public meeting format where participants take turns speaking into a microphone, the vast majority were enthusiastic about the use of computer technology.

Finally, the new policy resulting from the ROS has been tested by time, and the new flow regimen and balancing guides have been shown to perform as modelled.

4 CONCLUSIONS

Numerous factors contributed to TVA's success in establishing a credible and durable reservoir operating policy, including the decision process itself, such as:

- clear boundaries, specific objectives fitting within these boundaries established by multiple stakeholders enabled TVA to keep the study on track and build public support for the result.
- transparency of the decision process.
- collaborative process, focused on sorting out conflicting priorities and shaping compromises.

Another factor of TVA's success is the TVA's investment in the development of new flood risk and water quality computer models. These models enabled TVA to analyze and fine-tune a wide range of policy alternatives in a relatively short timeframe—in about half the time typically required under NEPA for federal actions that could impact the environment. In some areas, TVA pushed the science of reservoir analysis and created capabilities that are now used on a daily basis.

TVA had to overcome the challenge of engaging a large number of stakeholders over a wide area including several State jurisdictions. The advanced computer technology assisted greatly in gathering community views but required considerable skill at different stages:

- inform: through a broad mail out and web-based presence early and on-going throughout the process;
- involve: workshops on scope of study and options (over years);
- collaborate: use of interactive methods for resolving conflicting priorities resulting in an acceptable solution to all.

The considerable resources available meant that the TVA was able to run a sophisticated consultation process involving thousands of people.

CASE STUDY 5: OLIFANTS RIVER WATER RESOURCES DEVELOPMENT PROJECT [4]

1 PROJECT OVERVIEW

Water requirements in parts of the Limpopo and Mpumalanga Provinces of South Africa are expected to increase significantly due to new and proposed developments in the region. On 14 February 2003 the President in his speech to open Parliament announced the construction of a dam in the Olifants River system, to secure the water needed for these developments. Whilst the mining industry is the main driver, there are also severe social needs for water.

The area where the mines are being developed and where water needs to be supplied to, currently is amongst the poorest in the country. Nearly two million people reside in the area. There is little economic activity and most households depend on income from outside the area. Favourable international markets for platinum and related precious metals, together with stimulatory measures by the government on the mining sector to utilise their mineral rights, has given rise to rapid growth in the mining sector. This will bring much needed economic development to the area, with the result that large quantities of water are required over the short term to meet the planned developments. With mining as the anchor user of water, water will also have to be supplied to towns and industries in the area, while the opportunity arises for residents in poorly serviced rural areas to be supplied with water and share in the benefits of scale.

Photo 1: Upstream view of the area of inundation of the proposed De Hoop Dam

Source: Department of Water Affairs and Forestry, 2004

To meet the water requirements and associated delivery deadlines, the South Africa Department of Water Affairs and Forestry commissioned the Olifants River Water Resources Development Project (ORWRDP). The project has 2 phases.

- **Phase 1 of the project** involves raising of the Flag Boshielo Dam by five metres, currently being implemented.
- **Phase 2 of the project** is the proposed construction of a dam on the Steelpoort River at the farm De Hoop (the proposed De Hoop Dam) and associated bulk water distribution infrastructure. Storage capacity of the dam will be 347 million m³ (2,5 MAR). Dam height will be 81 m, crest length 1 050 m, full supply level 915 masl and maximum water depth 67 m. The total inundation area will be 1 690 hectares.

The bulk water distribution infrastructure includes about 300 km of pipelines, associated pump stations, balancing dams, off-takes and reservoirs. The land of 15 private land owners (of which two are communal property associations) in the dam basin would have to be purchased. Many thousands of people of different sectors of society have an interest in the proposed development.

[4] Text extracted from the document : United Nations Environment Programme Dams and Development Project. 2006. Compendium of Relevant Practices - Stakeholder Participation by Vivien Twyford and Claudia Baldwin on behalf of IAP2.

The projected project costs would be in the order of South African Rand 4000 million (about US$ 670 million). The project is subject to environmental authorization by the national Department of Environmental Affairs and Tourism.

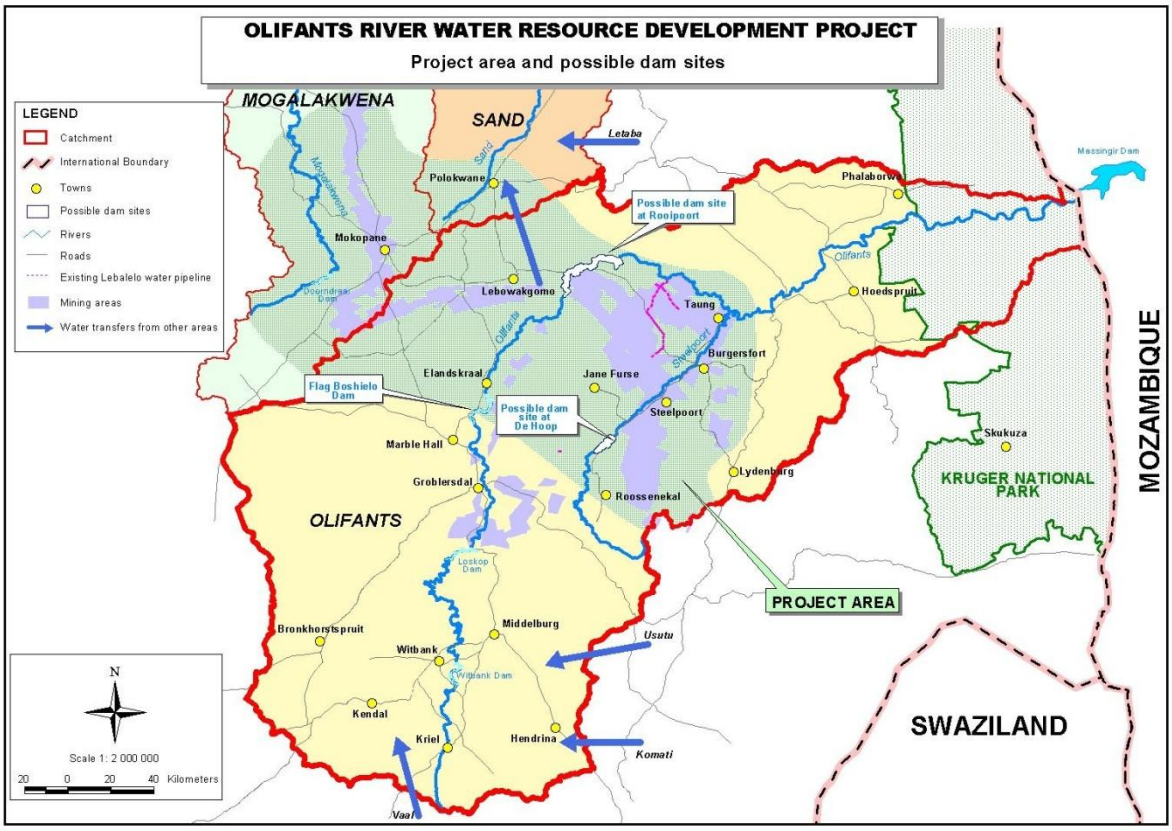

Figure: Project area and possible dam sites
Source: ORWRDP (www.dwaf.gov.za)

2 STAKEHOLDER CONSULTATION PROCESS

2.1 Implementation of Stakeholder Participation

This case study is about consultation with interested and affected parties during the Environmental Impact Assessment (EIA) conducted for the proposed project between June 2004 and November 2005. The purpose of the EIA was to identify and assess potential negative impacts and ways to avoid or reduce them, and potential positive impacts, and way to enhance them.

Public participation commenced with pre-EIA Screening in January 2004, and continued up to the end of the EIA in December 2005 (a period of 24 months).

The EIA was conducted by an association of ACER (Africa) Environmental Management Consultants and CSIR Environmentek. Public participation for the EIA was conducted by an association of two consulting firms, Zitholele Consulting in association with Golder Associates Africa, whose facilitators spoke five of the languages commonly spoken in the project area.

During periods of high activity (for example just prior to and during four public meetings throughout the project area in the space of a week), up to 20 staff members of the public consultation consultants were involved in the process. In addition, up to 10 of the proponent's

personnel and a further four or five members of the EIA team were involved in consultation activities.

In addition, the Department of Water Affairs and Forestry through various formal project committees, through international liaison with co-basin states, and informally, liaised with a range of stakeholders pertaining to strategic project planning and financing issues.

Objectives of public participation

The objectives of public participation during the ORWRDP Screening and EIA processes were to provide sufficient and accessible information to interested and affected parties (I&APs) in an objective manner to assist them to:

During the Screening Phase

- comment on the various options that were assessed;
- assist the Department to make recommendations on the most feasible options to be taken forward into the detailed planning and implementation process.

During the Scoping Phase of the EIA

- identify issues of concern, suggestions for enhanced benefits and alternatives;
- contribute local knowledge and experience;
- verify that their issues have been captured.

During the Impact Assessment Phase

- verify that their issues have been considered either by the Specialist Studies, or elsewhere;
- comment on the findings of the EIA.

During the Decision-making Phase

- Advise I&Aps of the outcome of the authority Record of Decision (ROD), the appeals period and the manner in which they may appeal the decision.

Cost of the public participation process

The cost of the public participation process was a mere fraction of the total project costs, but was substantial and adequate in terms of public participation for an EIA in southern Africa. The cost is considered confidential however it has been reported by the participant manager that consultant fees over the two-year period amounted to roughly 35% of the public participation costs, with the remaining 65% spent on direct disbursements related to venue hire and catering, transport and accommodation (including transport for rural community members to attend multi-stakeholder events), document reproduction and distribution, reproduction of display materials, advertising, signage etc. In addition, hundreds of stakeholders spent time on participation and their own funds to travel to meetings.

Process designed for the Project EIA

The process designed for the ORWRDP EIA went beyond the minimum practical requirements specified in the EIA guidelines, taking its cue from the NEMA principles and the reference in the EIA guidelines to ‘sensitive or contentious’ projects. Above all, the process was designed to facilitate maximum personal contact between the proponent’s planning team members and

specialists on the EIA team so as to truly inform decision-making. This section focuses on the 18-month public participation process for the EIA. Similar methodology was employed for the pre-EIA screening phase. All letters and documents for public comment was available in three languages (English, Afrikaans and Sepedi), and all meetings took place in the language of choice of those who participated. Multi-stakeholder meetings were held in a mixture of several languages, with facilitators translating summaries of discussions.

2.2 Who was involved?

The direct mailing list contained almost 2 600 individuals and organisations. Interested and affected parties (I&Aps) represented a broad spectrum of all sectors of society. An electronic database was used, categorised into sectors of society, geographic areas and language groups.

Consultation took place with representatives or spokespeople of different sectors of society, rather than with every individual in the vast project area. Nevertheless, special efforts were made to obtain the contributions of all people who may be affected directly by the proposed project.

2.3 Scoping phase of the EIA: Announcement of the opportunity to participate in the EIA

The opportunity to participate in the EIA was announced in mid 2004 in three languages as follows:

- telephonic notification to 15 landowners on the farms/land directly affected by the proposed dam. Subsequently, ongoing telephonic contact was maintained with these landowners. Prior permission for access to their land by EIA specialists and members of the project planning team was obtained before each visit. A code of conduct for project team members pertaining to access to private land was developed and communicated to all;
- five meetings with communities of the Rooipoort area to provide background information to the decision to proceed with the proposed De Hoop Dam rather than one in the Rooipoort area;
- distribution of a letter of invitation to become involved, addressed to all individuals and organisations by name (almost 2 600);
- pive large notice boards at prominent localities along roads in the project area;
- distribution of a 6-page Background Information Document accompanied by a registration/comment sheet. The document outlined in simple language, supported by photos, maps and illustrations, the following: components of the proposed project (dam, infrastructure), motivation for the project, potential negative and positive impacts that may result, the EIA process, and how to become involved. Over 5000 paper copies of Background Information Documents were distributed, and over 3000 were forwarded by email. The document was also prominently displayed

Photo 2: View of one of five project notice boards (Jane Furse Municipal Offices)
Source: Department of Water Affairs and Forestry,

at 43 public places in the project area (libraries, council offices, offices of tribal councils etc);

- advertisements in six newspapers (national, regional and local) and on three radio stations (regional and local);
- pifteen sets of large laminated posters were displayed in public places frequently visited by rural communities, many of whom had never seen a large dam nor large water pipelines being laid. The posters visually illustrated the proposed project with photographs of a large dam, of pipe laying, typical pump stations, balancing dams etc and were accompanied by a cardboard model of a section of pipeline (1.4 m diameter). The EIA process was also visually illustrated, and contact details of the public participation office were provided;
- posting all materials on the consultants' and Department's web sites.

2.4 Obtaining comment and contributions during the scoping phase

Comments and contributions were obtained by way of the following:

- written comment on the registration and comment sheets that accompanied the Background Information Document, either by mail or email;
- telephonic comment;
- initially, two meetings with directly or potentially directly affected private landowners in the dam site area and along the pipeline routes, thereafter several meetings with smaller groups of directly affected land owners or on an individual basis;
- 15 meetings with representatives of local communities on communal land along the pipeline routes (including tribal heads, women's groups, youth groups, local development groups, community-based organisations, ward councillors, others);
- focus group meeting with water quality experts resident in or familiar with the project area;
- meetings with the lead authority for the EIA, the National Department of Environmental Affairs and Tourism, and subsequently a combined meeting of all relevant authorities at national, provincial and local spheres of government;
- focus group meeting with Non Governmental Organisations (NGOs) concerned with the building of dams and who had participated in sessions of the World Commission on Dams. NGOs brought to this meeting individuals that were previously negatively affected by dam building elsewhere in South Africa to share their experiences;
- wide distribution of a Draft Scoping Report, a summary of this report in three languages, and an Issues and Response Report (see below). In the order of 1000 reports were distributed. The purpose of these reports was for interested and affected parties (I&Aps) to verify that their contributions were captured, understood and correctly interpreted, and to raise further issues. Four weeks were available for public review. The reports were proactively mailed to all key stakeholders as well as those who requested copies, and prominently displayed in 43 public places in the project area (libraries, council offices, offices of stakeholder organisations). After public comment had been received, the Draft Scoping Report was updated with the additional issues raised by I&Aps. The Final Scoping Report was submitted to the Department of Environmental Affairs and Tourism (DEAT) for approval for the impact assessment phase of the EIA to proceed. All I&Aps that requested copies received them either by mail, electronically or on CD;

- four public meetings were held in main centres in the project area. The public meetings were combined with open houses, i.e. visual displays of the proposed project. Time was set aside before and after each public meeting for small-group briefings, and meetings and discussions with members of the planning and EIA teams. The contents of the Draft Scoping Report were visually and verbally presented at these meetings. Consolidated proceedings of the four meetings were distributed to everyone who attended, with a request to verify that their contributions were recorded correctly. All contributions were taken up in the Issues and Response Report.

2.5 Issues and Response Report and acknowledgements

All issues raised were captured in an Issues and Response Report. This was the main deliverable of the public participation process. At the end of the process, this report was 76 pages in length in single spacing in a 9pt font.

The name, organisation and town of each commentator were listed opposite the issue. Issues raised were categorised into groups of issues. Every specialist study that was conducted during the EIA was represented by a group of issues. The terms of reference for the specialist studies was informed by the issues raised by I&Aps.

Every issue was responded to in terms of how it was taken up in the EIA, and if not, why not. The response column in the report was updated once the findings of the EIA were available.

All contributions made by I&Aps were acknowledged in writing by way of a pro-forma letter.

2.6 Keeping people informed and interested

On average, all I&Aps on the database received a progress feedback letter from the public participation office every two months over the 18 month EIA process period. Numerous further meetings with local land owners and local communities were held throughout the project area subsequent to the first round of meetings. In many cases local land owners or community members accompanied project team specialists on field visits. The public participation office received and made hundreds of telephone calls over the 18-month EIA period, and maintained constant contact with I&Aps, and in particular with potentially directly affected parties.

2.7 Public participation during the Impact Assessment Phase of the EIA

A letter, addressed to 2 600 I&Aps personally, as well as newspaper and radio advertisements, announced the availability of the Draft Environmental Impact Report (EIR) with the findings of the EIA. Five weeks were available for public review.

The full EIR was over 200 pages in length. A 25-page summary with the key findings was prepared and made available in three languages. The Issues and Response Report accompanied the Draft EIR and the response column indicated how stakeholders' concerns and issues were considered in the EIA.

The documents were made available as follows:

- leaving the documents in 20 public places;
- posting or emailing the documents to stakeholders who requested copies, or providing them on CD to those who so requested;
- handing out copies at the next round of public meetings (see below);

- personally handing documents to community leaders and land owners met with during the comment period.

Four public meetings were held to assist I&Aps to comment on and discuss the findings of the Draft EIR. The contents of the report were presented verbally during the meetings. Each meeting also had an open-house, visual component during which small-group discussions with members of the EIA team took place in the language of choice of I&Aps. Consolidated proceedings of the four meetings were distributed to everyone who attended with a request to verify that their contributions were recorded correctly.

Comments provided by I&Aps during the public review period were reflected in the Issues and Response Report. Where required, the contents of the EIR were updated to reflect stakeholder comments.

3 STAKEHOLDER CONSULTATION OUTCOMES

The Final EIR, accompanied by the Issues and Response Report, was submitted to the national Department of Environmental Affairs and Tourism (DEAT) for a record of decision on the EIA. I&Aps had been notified during the preceding months that the record of decision would be expected in mid November 2005 and that there would be 30 days to appeal the decision. Stakeholder comments had been taken into account by the project team, for example in the case of adoption of an alternative alignment for the provincial road to be re-routed to make way for the proposed dam.

The DEAT issued a positive Record of Decision on 21 November 2005. I&Aps were notified in writing on 22 November 2005 and by publishing media advertisements over the next few days.

The decision was appealed by four organisations and one individual, and the outcome of the appeals process is currently (April 2006) being awaited. The appeals were based mainly on issues of content related to downstream water quality and quantity impacts to the Kruger National Park, and not on issues of process. However, because the annual South African holidays start in mid-December, the appellants were dissatisfied that the 30-day appeal period extended into the holidays. Two of the appeals also indicated that a higher level of technical consultation with the project proponents and specialists was desired, despite such meetings as attended by these stakeholders.

The main findings of the public participation process of the ORWRDP EIA are as follows:

- large-scale public participation took place throughout and beyond the geographical study area with active involvement of hundreds of stakeholders representing all sectors of society. Several hundred comment sheets (in various languages) were received during the process. This is clear from the comprehensive Issues and Response Report in which a large number of issues raised by stakeholders from all sectors of society is documented;
- the public participation process was satisfactory to the majority of stakeholders as reflected by their positive comments listed in the Issues and Response Report. Stakeholders commended the Department on conducting an open and transparent EIA and a good public participation process. Facilitation, languages used and accessibility of materials were complimented. However, two of the five appeals that were received indicated that these stakeholders did not feel adequately consulted, but required consultation at a higher technical level;

- nowhere during the appeals process was it indicated by any stakeholder that the public participation process did not meet the requirements of South African environmental legislation and/or international best practice principles;
- the public participation process succeeded in achieving the objectives set for the screening, scoping, impact assessment and decision-making phases of the ORWRDP EIA. Furthermore, the process resulted in active discussion between the authorities, stakeholders, technical specialists and the Department of Water Affairs and Forestry;
- the public participation process assisted in bringing to the attention of decision-makers literally hundreds of issues and comments. The issues were prioritized and grouped into broad categories that shaped the terms of reference for the EIA and eventually informed decision-making.

4 CONCLUSIONS

The WCD identified seven strategic priorities to provide a principled and practical way forward for decision-making. The first of these principles is that of public acceptance.

Whereas there is general agreement world-wide that public acceptance cannot be gained without good public participation to inform decision-making, this case study illustrates that good public participation is not the only ingredient for public acceptance of a decision. Despite an exemplary, two-year process in which hundreds of people actively participated and not only accepted but welcomed the proposed project, five appeals to the decision were received, three of which were from key national organizations (two NGOs and a parastatal, all three of which received documents for comment and attended meetings during the process).

A challenge for the process was to provide information in ways to meet the various stakeholders' needs. For example, locally displayed posters were designed for the general public in three languages; 15 affected landowners were contacted personally; translators were available at public meetings; and more technical information was needed for some of the NGOs.

The public participation process was characterised by different levels of participation at different phases or to achieve different outcomes. For example, the basic prerequisite of all consultation with all stakeholders, by members of the ORWRD project team and members of the EIA and public participation teams was to 'inform'. Interested parties in the large project area and country-wide were 'consulted'. Consulting with directly affected parties, contributed to the consideration of various alternatives, for example to adoption of an alternative alignment for the provincial road to be re-routed to make way for the proposed dam – thus the 'involve' level of IAP2 participation. 'Collaboration' was the objective of liaison by the Department of Water Affairs and Forestry with other implementing government departments, in particular the provincial governments.

In addition, the following two key findings of the World Commission on Dams (2000) guided the public participation process:

- by bringing to the table all those whose rights are involved and who bear the risks associated with different options for water and energy resources development, the conditions for a positive resolution of competing interests and conflicts are created.
- negotiating outcomes will greatly improve the development effectiveness of water and energy projects by eliminating unfavourable projects at an early stage, and by offering, as a

choice, only those options that key stakeholders agree represent the best ones to meet the needs in question.

However, the dissatisfaction of NGOs with the amount of technical information on downstream impacts was sufficient to cause an appeal. Understanding and addressing this concern earlier may have prevented such an outcome.