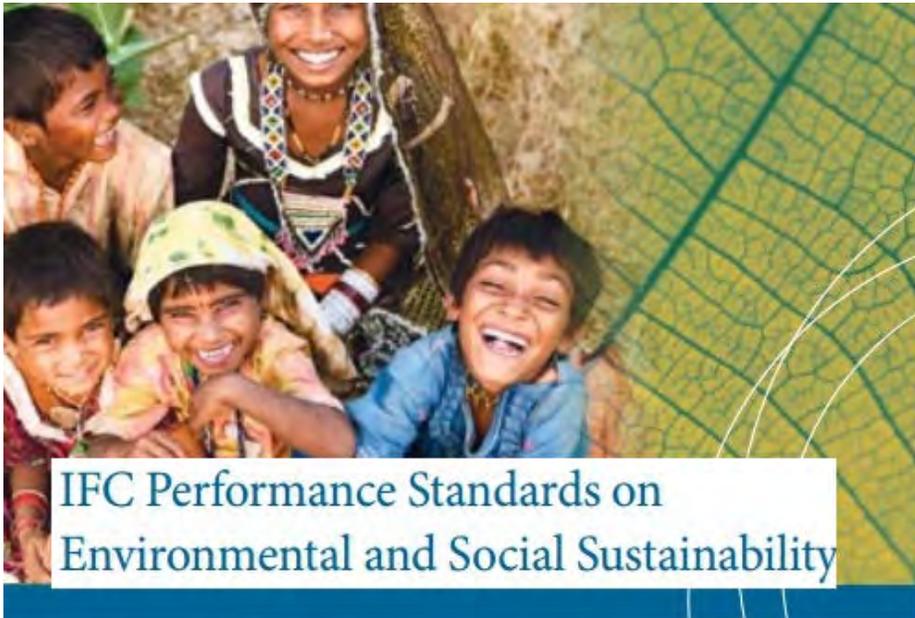


# Using SIA to maximise the benefits of power plants in Iceland

Dr Ana Maria Esteves  
12 November 2019



It is possible to develop a  
power plant that benefits every person  
living in Iceland



IFC Performance Standards on  
Environmental and Social Sustainability

*Before:* “If you are to suffer, you should suffer in the interest of the country.”

Nehru (India PM 1947-1964) , speaking to villagers who were to be displaced by the Hirakud Dam, 1948.

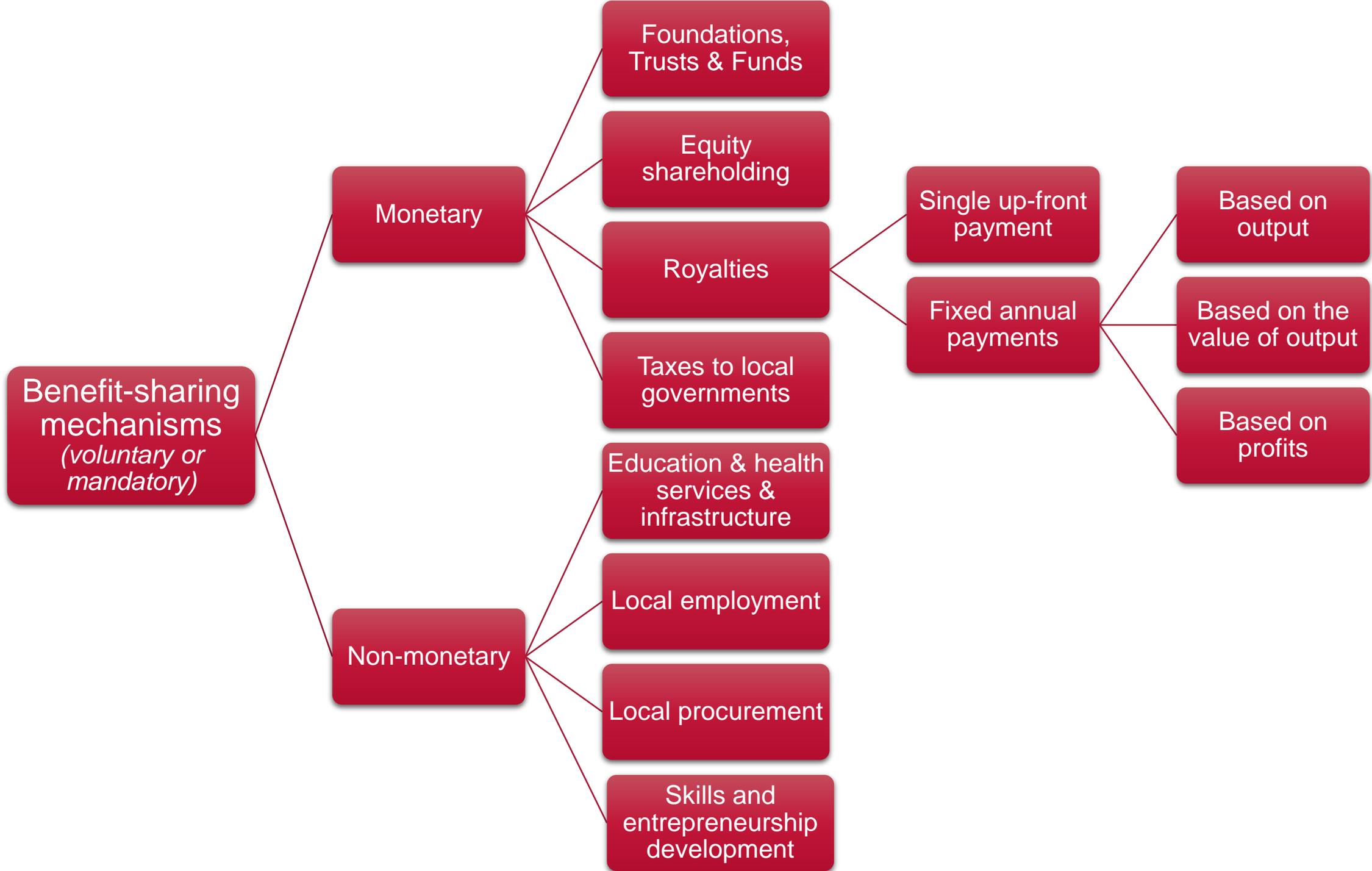
22,000 families displaced – many without compensation

*Now:* *From doing no harm to doing good*

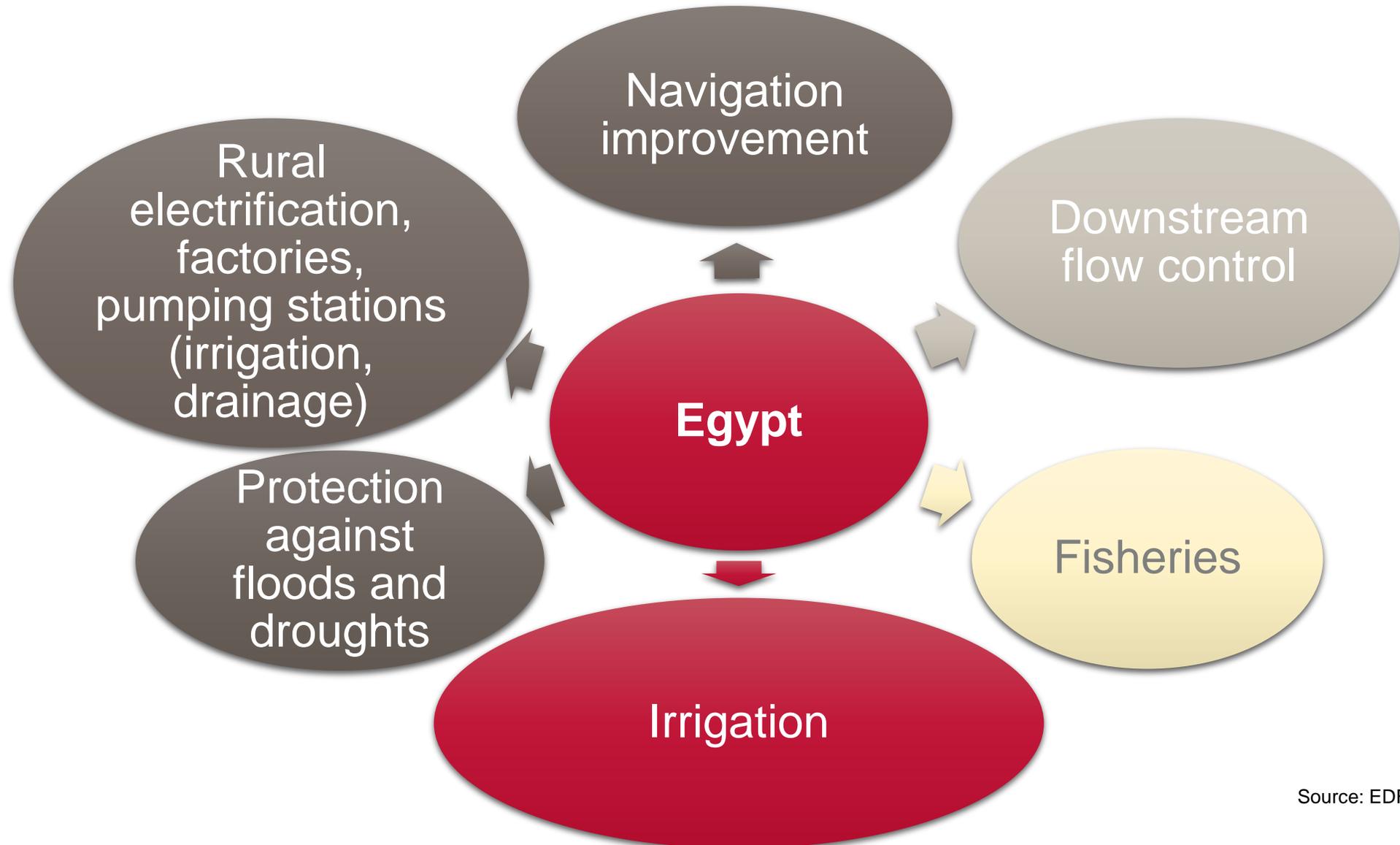
Avoid / mitigate / compensate adverse impacts and enhance positive ones



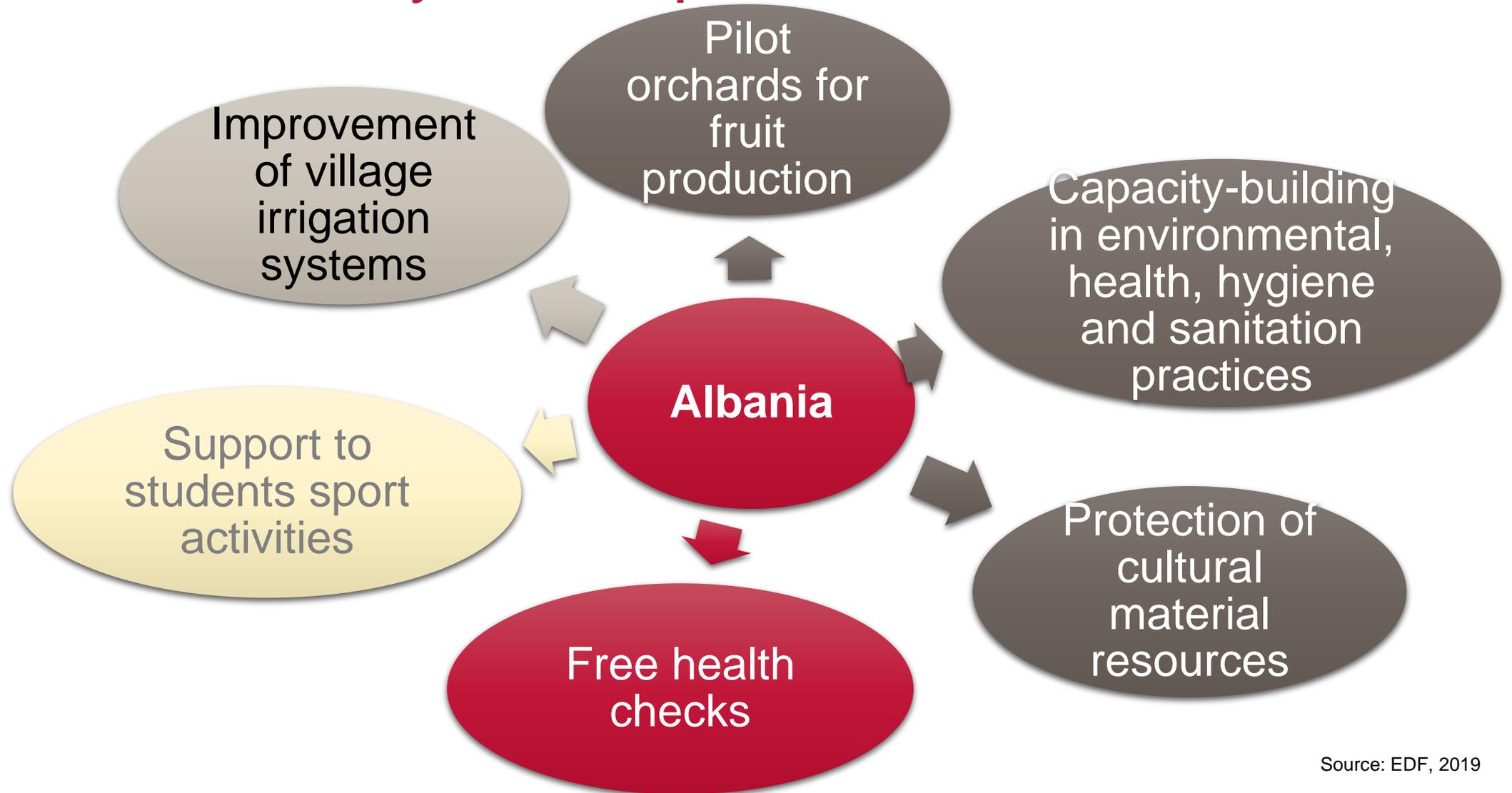
The purpose of **benefit-sharing** is to retain part of a project's socio-economic benefits in the region where the project is located



# Benefit-sharing in design and operation: multi-purpose



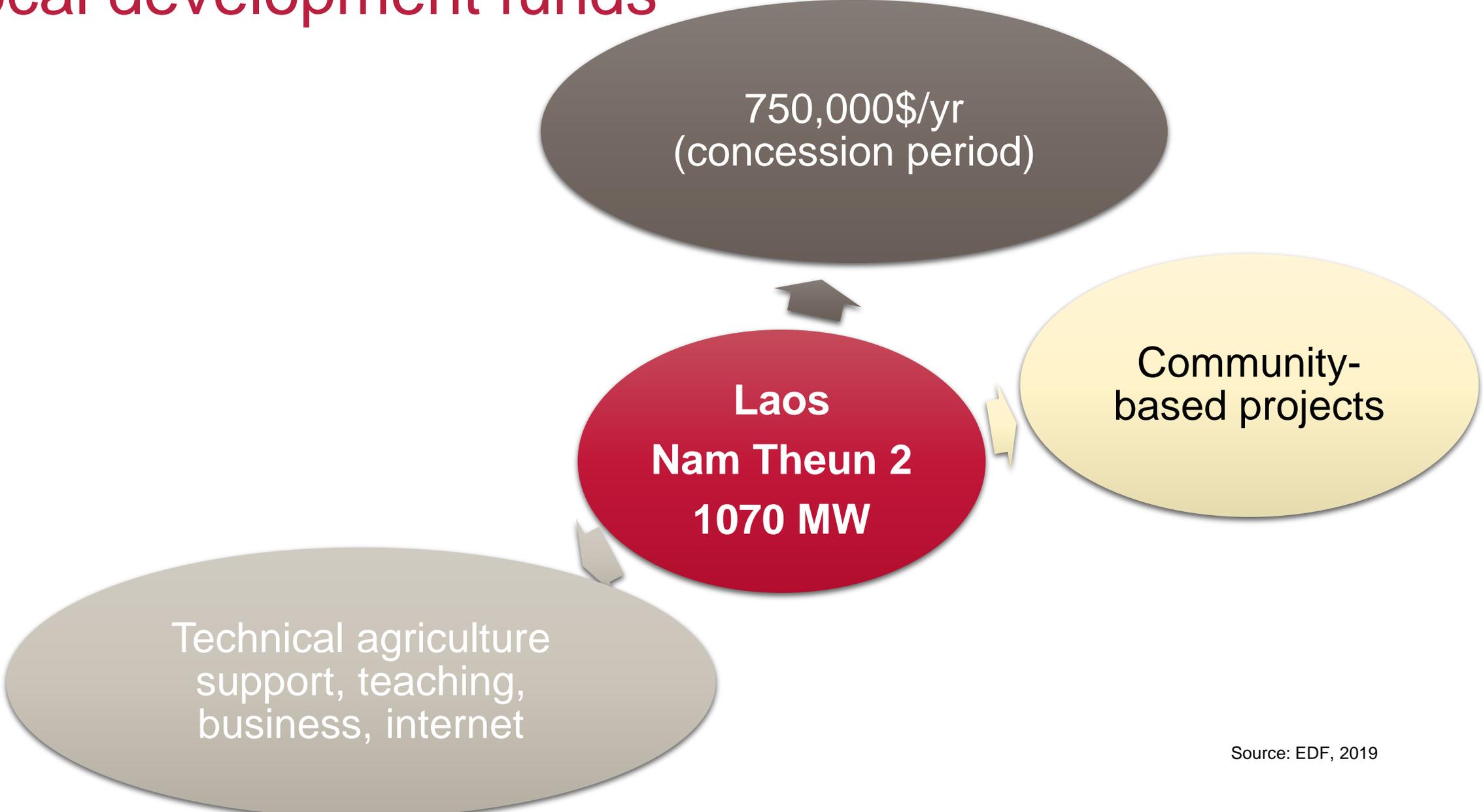
# Direct community development



# Local employment during resettlement

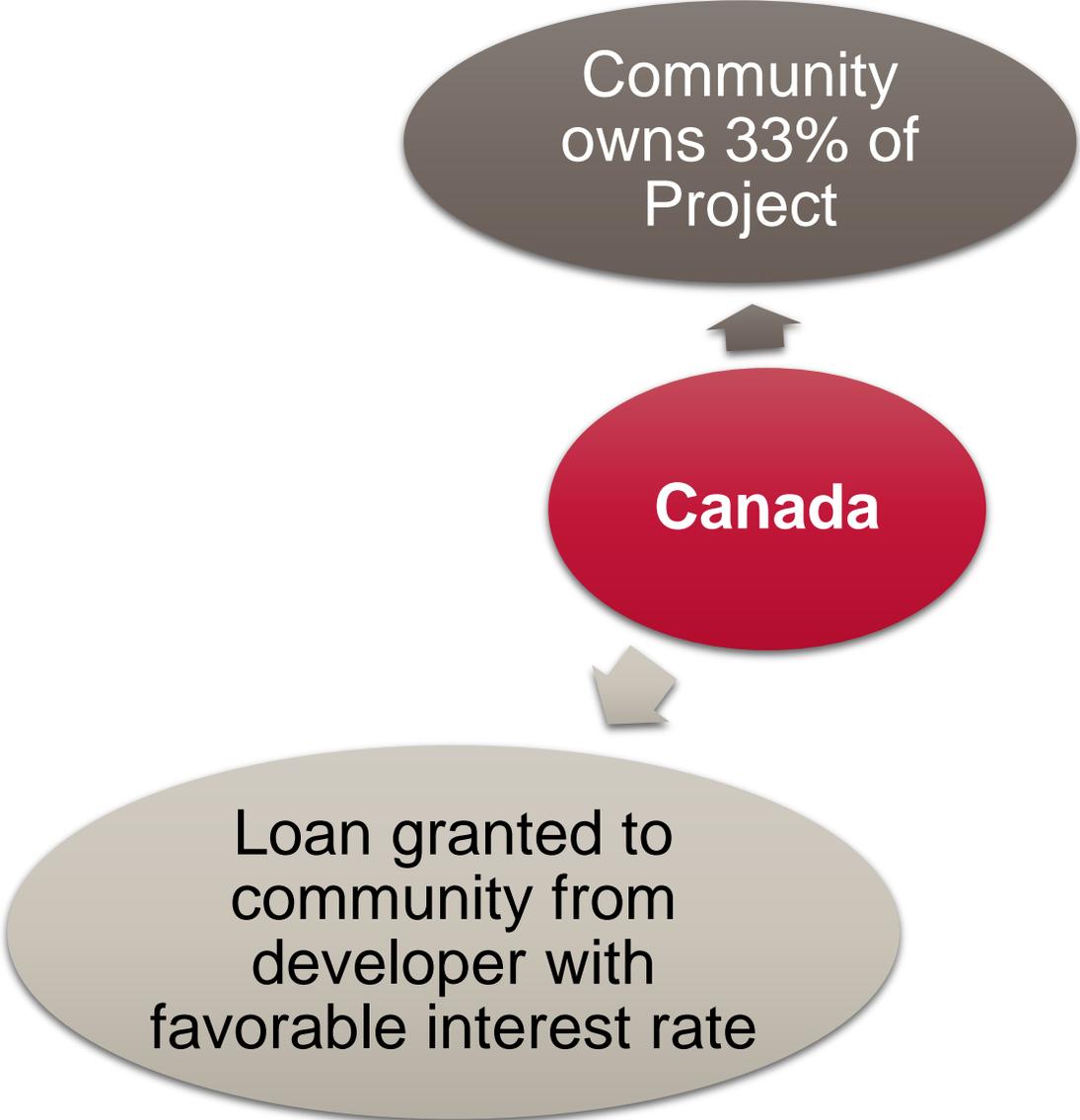


# Local development funds



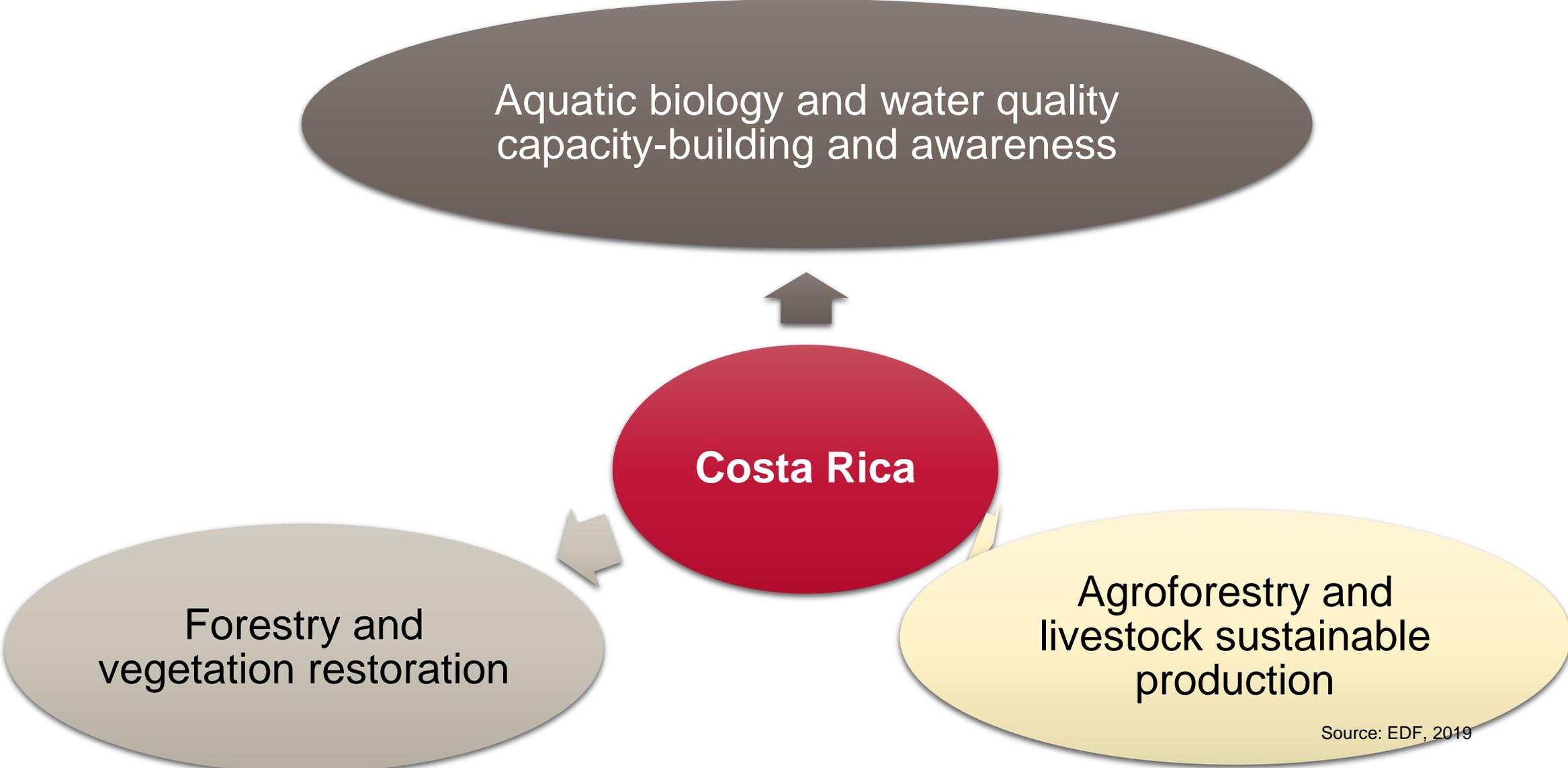
Source: EDF, 2019

# Equity



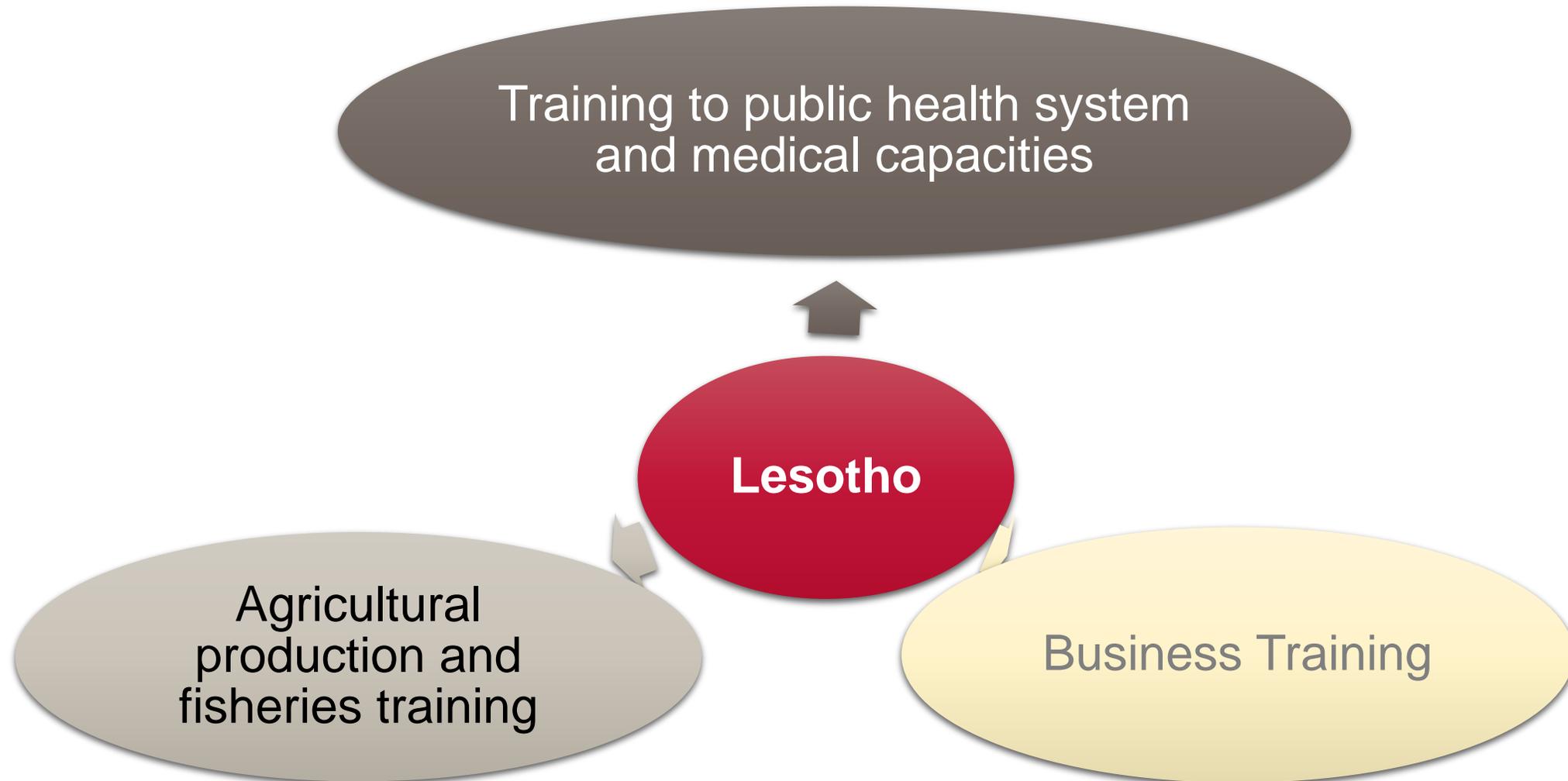
Source: EDF, 2019

# Sustainable basin management



Source: EDF, 2019

# Capacity-building & training



# Direct health care intervention



# Direct Payments

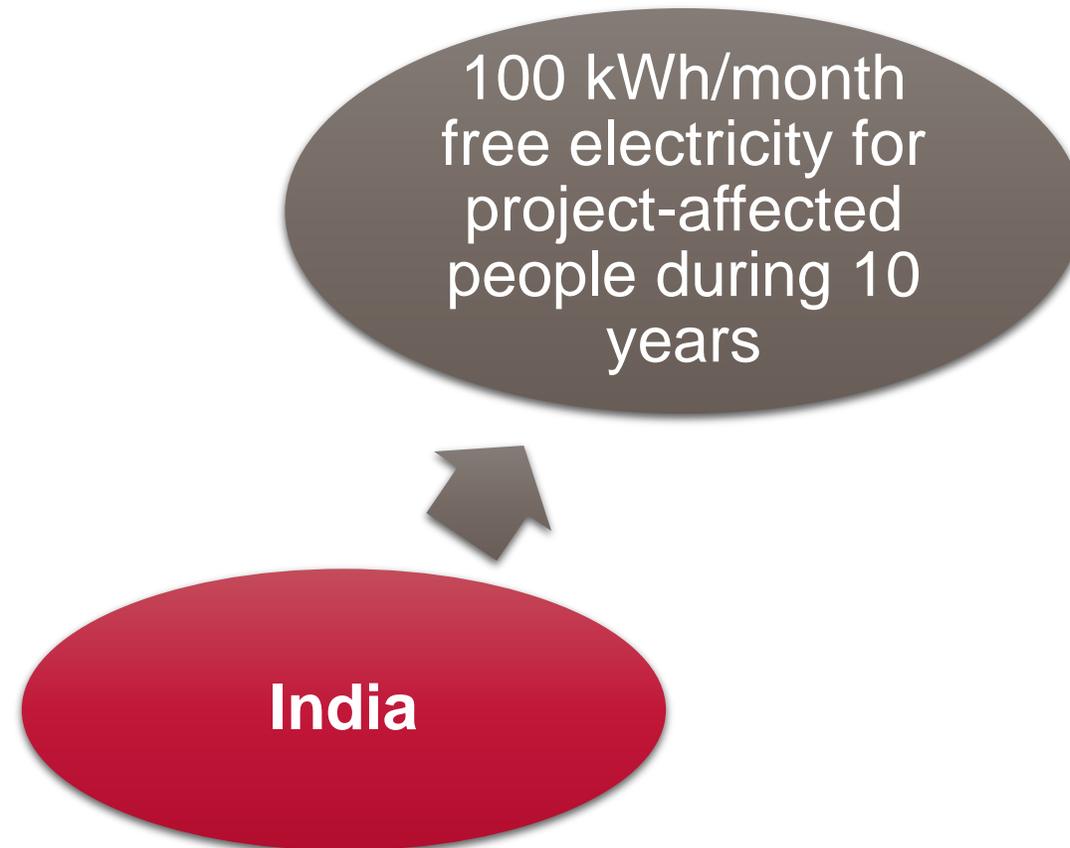


# Payments for environmental services

Owners of forest lands that contribute to water resource protection in basin paid to plant trees: 1.3\$ per tree, project pays 0.65\$, Government matches

Costa Rica

# Preferred electricity rates



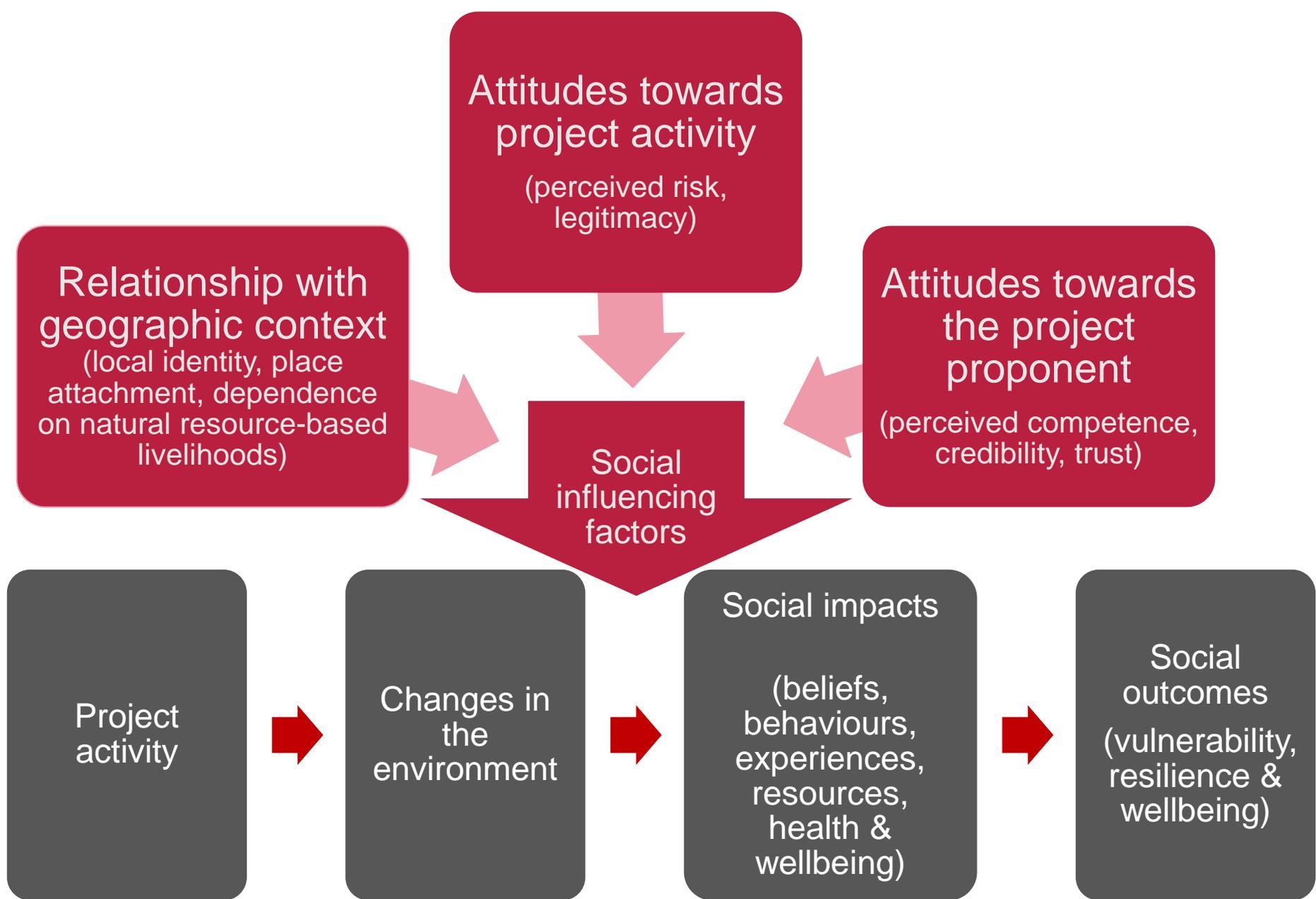


How can SIA help work out  
what makes sense  
for a specific power plant project  
in a specific place  
in Iceland?

# SIA can help answer 3 difficult questions

1. Where is the point where people in Iceland believe there is an acceptable balance of benefits over impacts?
2. How do we ensure procedural and distributive justice when developing a power plant?
3. How can we anticipate whether the planned benefit-sharing will succeed or fail?

1. SIA can help find the elusive point where people in Iceland believe there is an acceptable balance of benefits over impacts



2. SIA can answer the difficult question of how to ensure procedural and distributive justice in designing benefit-sharing for a power plant

Who decides

Who distributes

Who benefits

3. SIA can help identify the conditions for whether the planned benefit-sharing will succeed or fail

# What can determine whether benefit-sharing succeeds or fails?

## Community Priorities

- Jobs
- Health and Education
- Gender/Youth Development
- Infrastructure and Natural Resource Management

## Risk factors

- Corruption
- Elite Capture
- Low Capacity
- Community Opposition

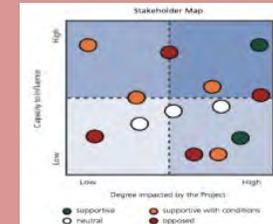
SIA is a tool to answer:



***How will the benefit-sharing mechanism affect stakeholders and their existing relations?***

***How will benefit-sharing be helped or hindered by local factors?***

## Stakeholder Groups



## Negative impacts to Community Wellbeing



# What is reasonable to expect from proposals at early planning stages?

- Feasible opportunities for benefit-sharing
- An understanding of who supports and who opposes the project concept and why and how this has been considered in design, mitigations and benefit enhancements

## **How?**

- Social context analysis
- Perception surveys
- Qualitative research
- Stakeholder engagement in design
- Alignment with Regional Development Plans



[amesteves@communityinsights.eu](mailto:amesteves@communityinsights.eu)