

Using SLA to maximise the benefits of power plants in Iceland

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



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



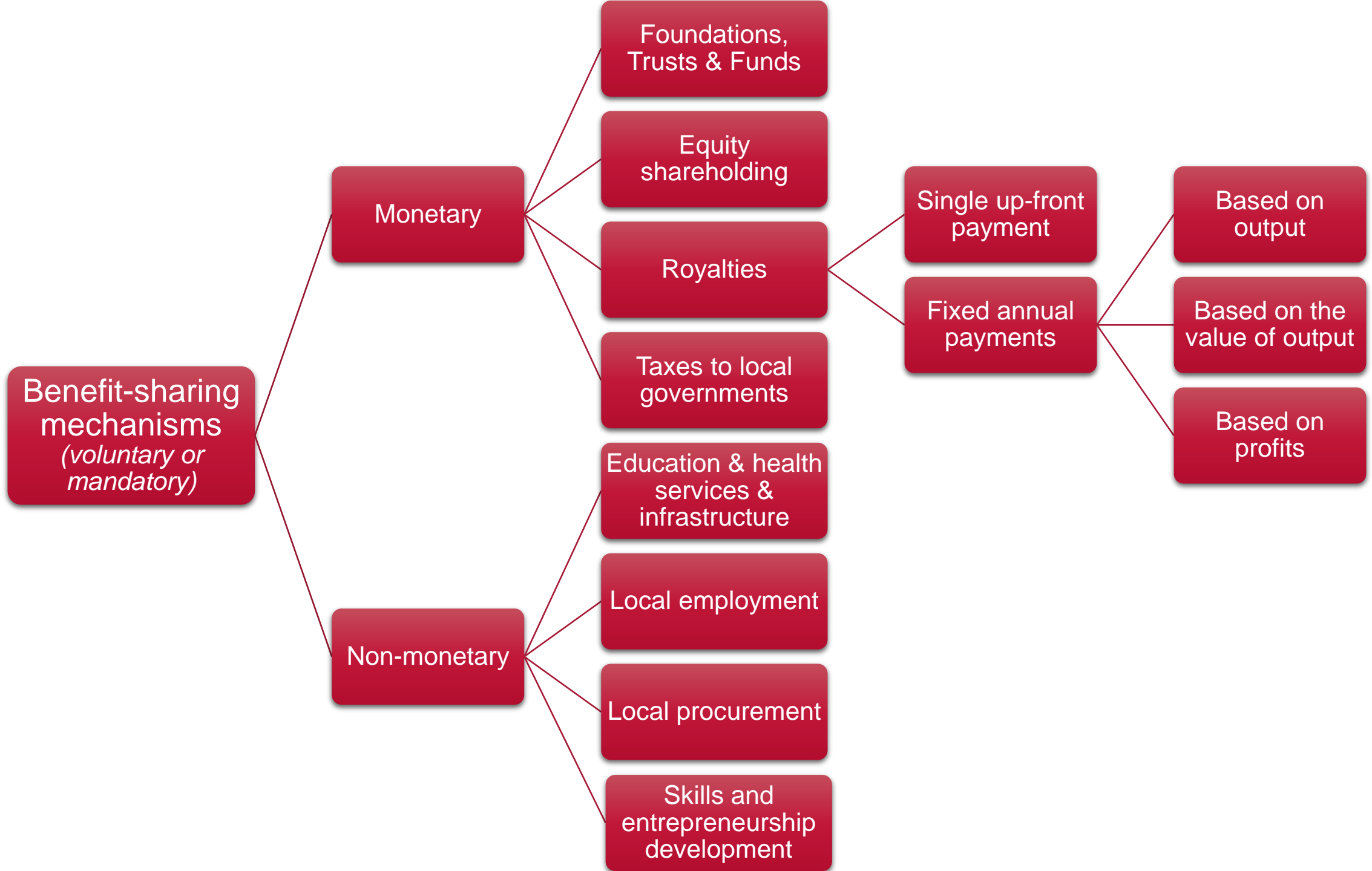
IFC Performance Standards on
Environmental and Social Sustainability

Now: *From doing no harm to doing good*

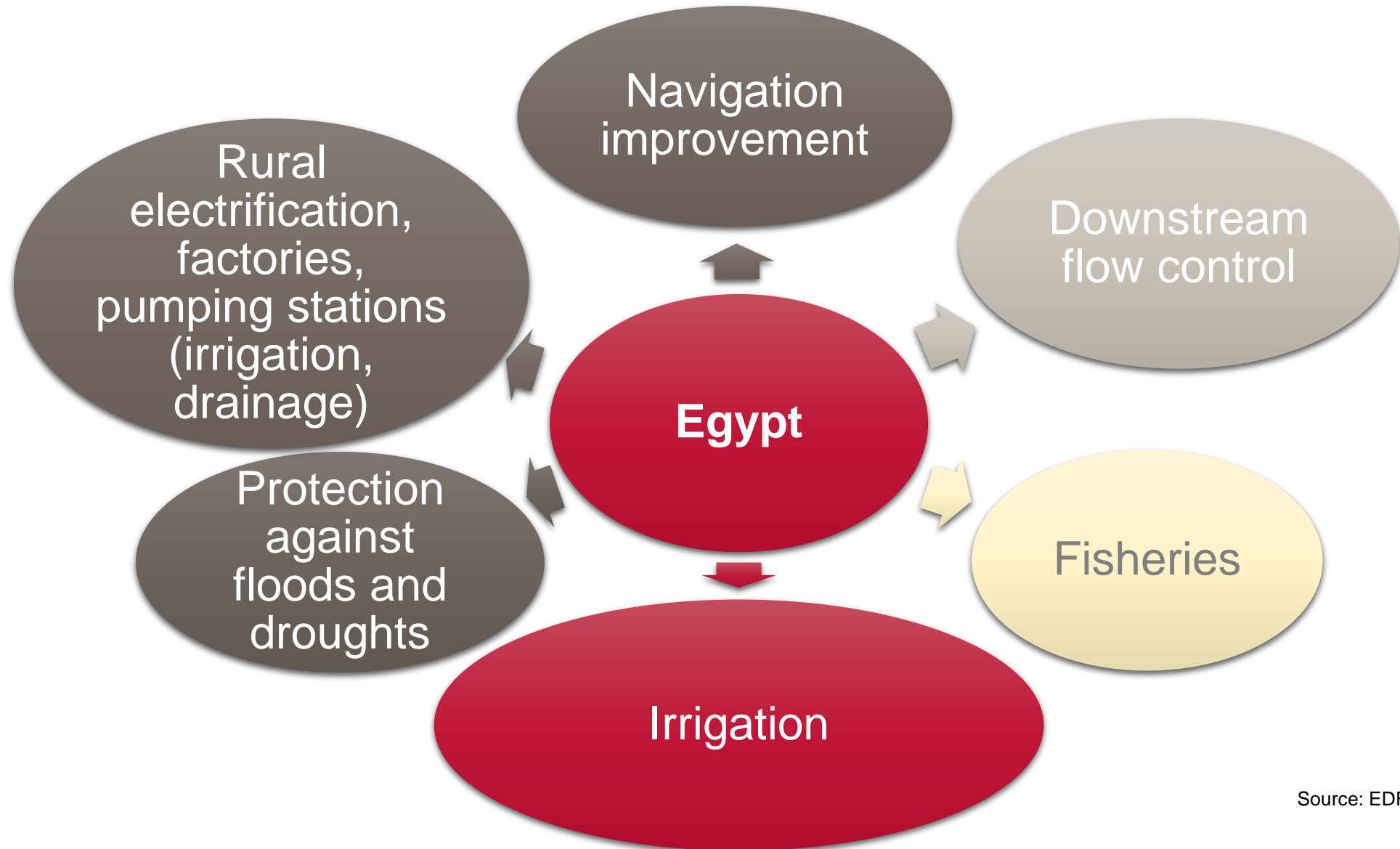
Avoid / mitigate / compensate adverse impacts and enhance positive ones



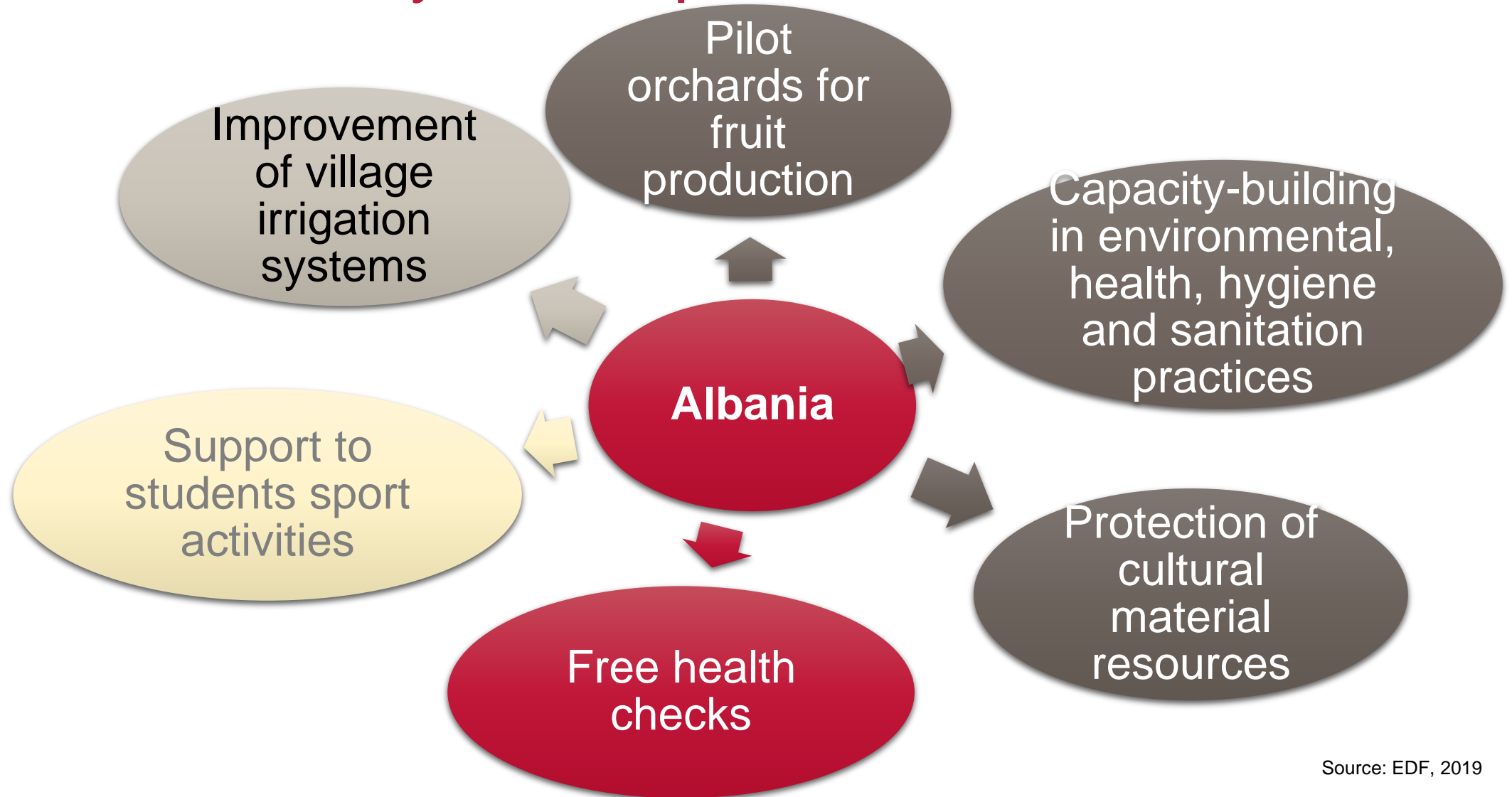
The purpose of **benefit-sharing** is to retain part of a project's socio-economic benefits in the region where the project is located



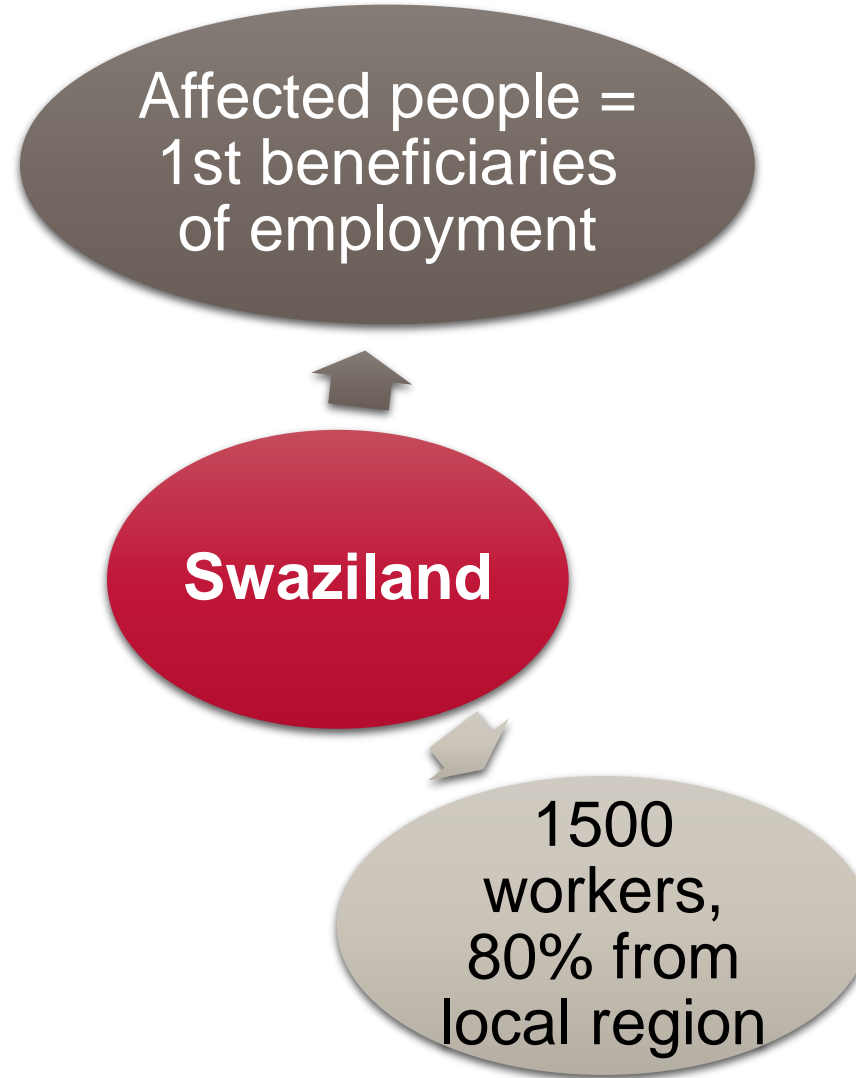
Benefit-sharing in design and operation: multi-purpose



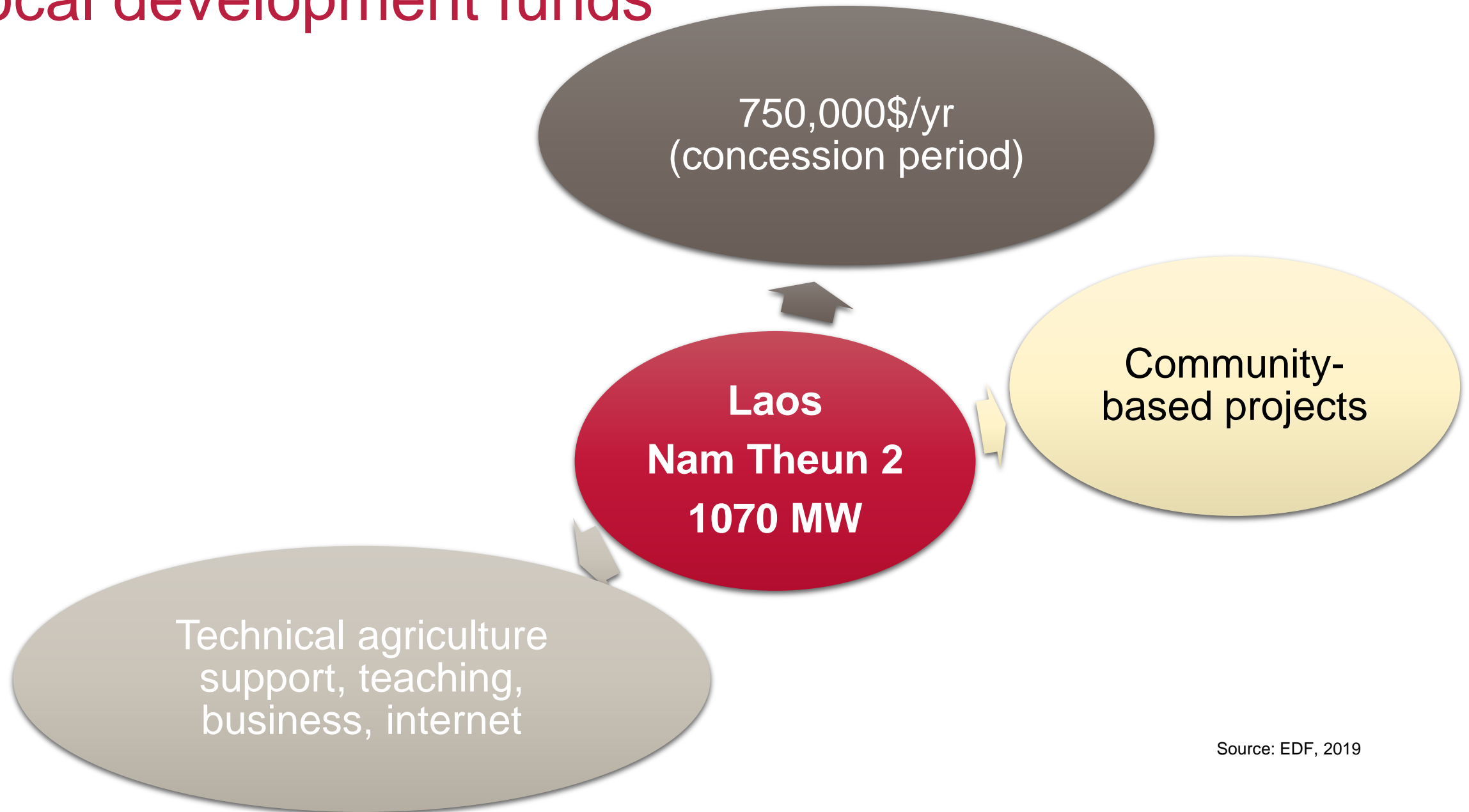
Direct community development



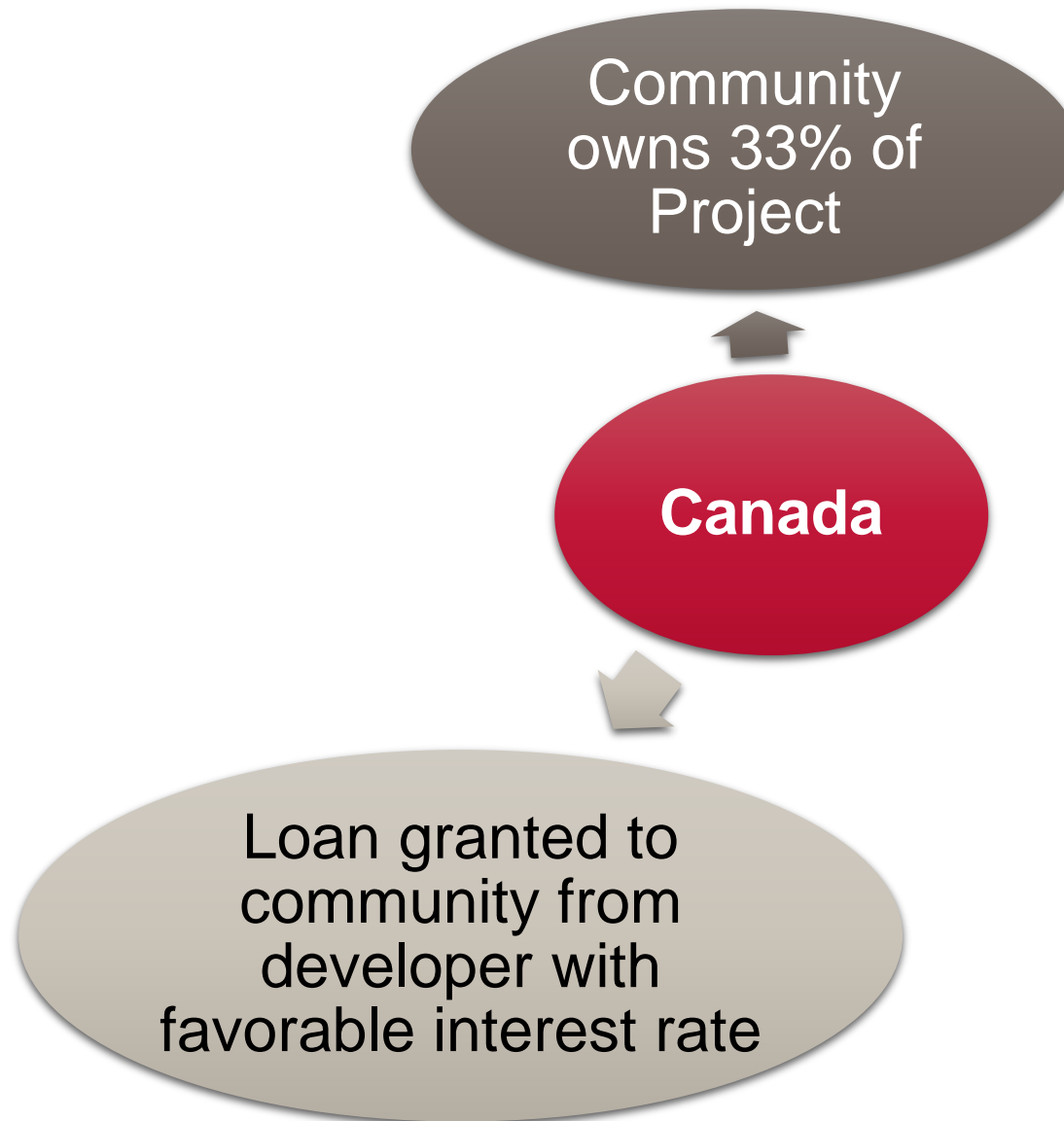
Local employment during resettlement



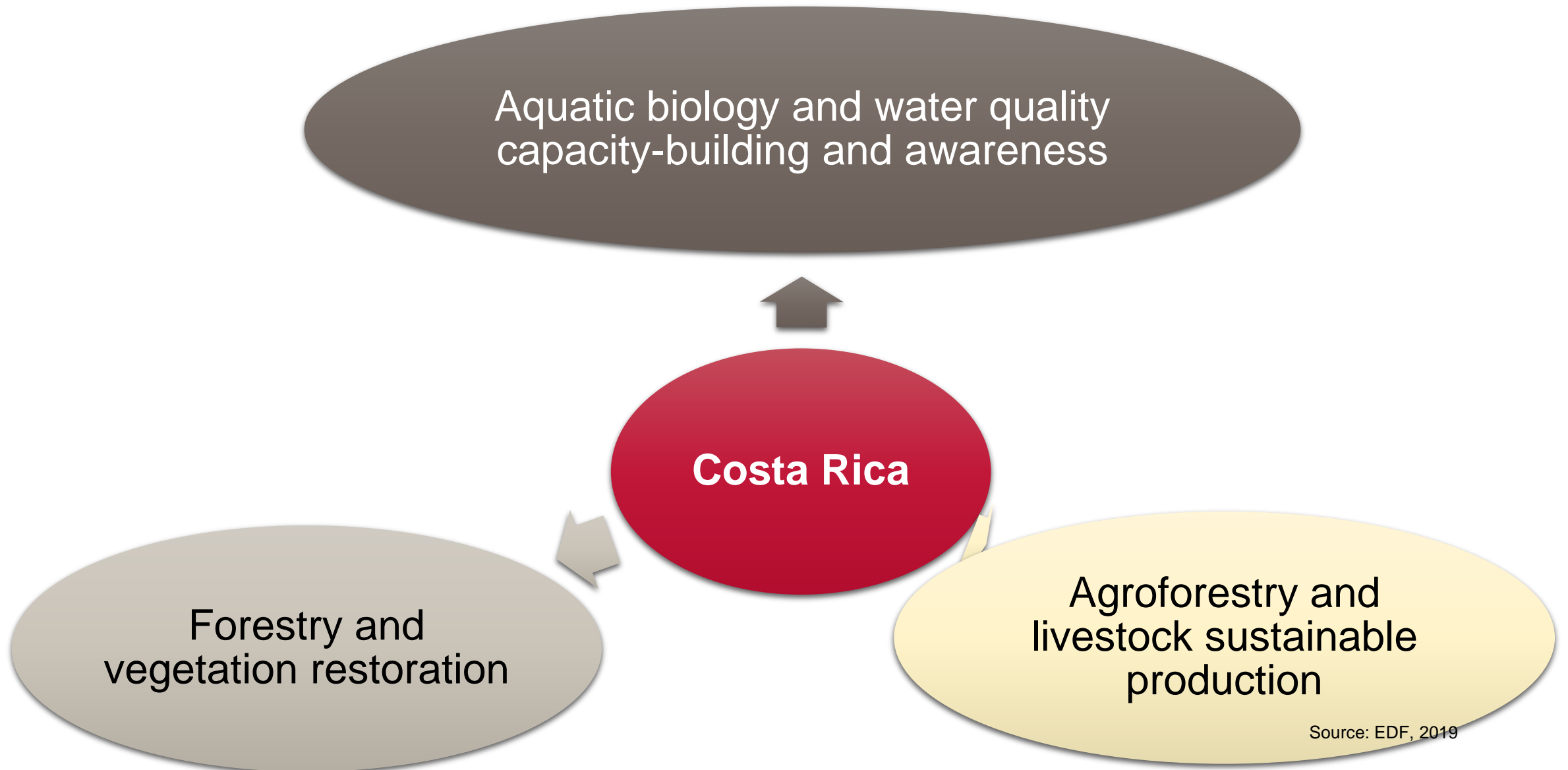
Local development funds



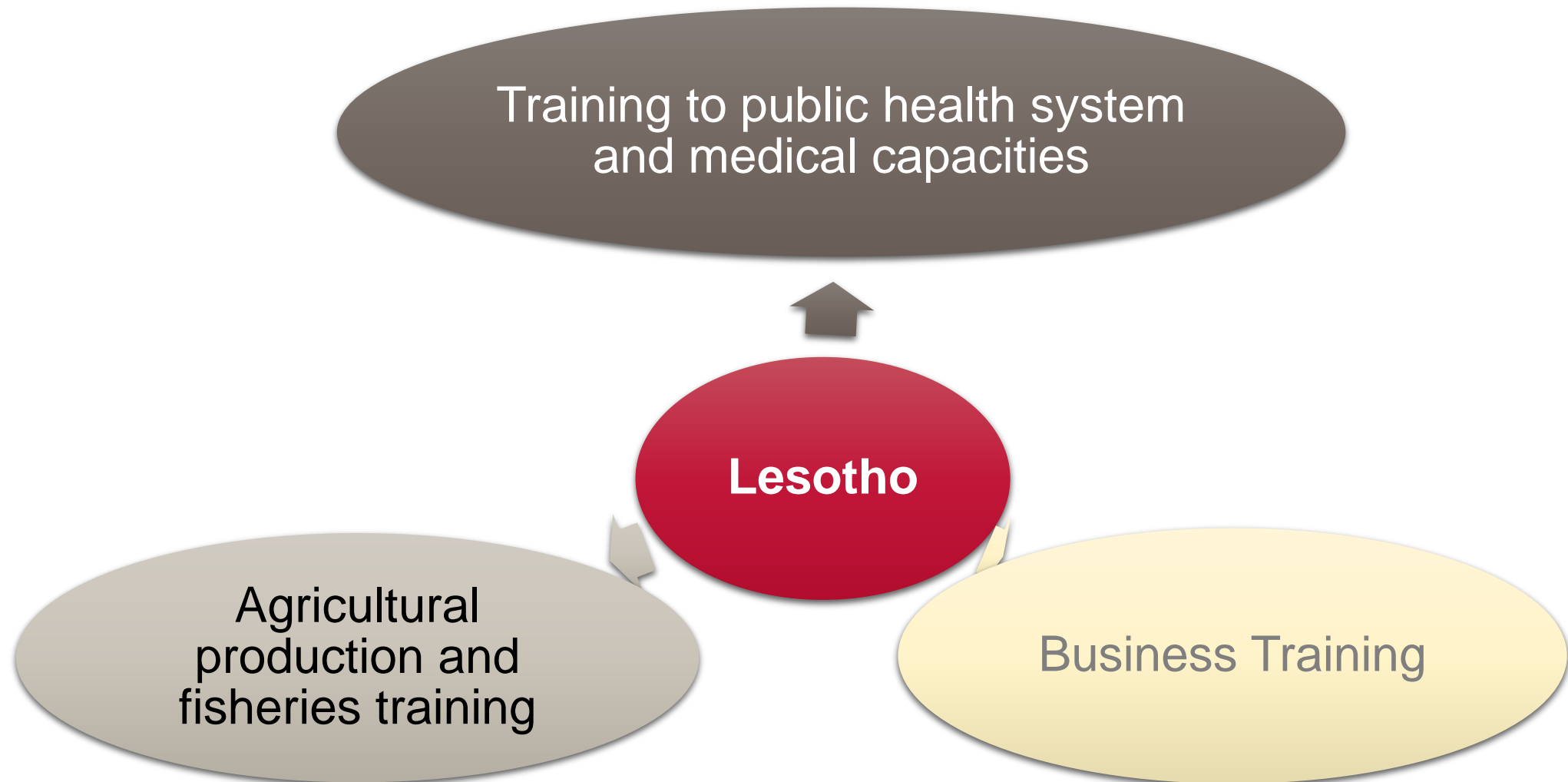
Equity



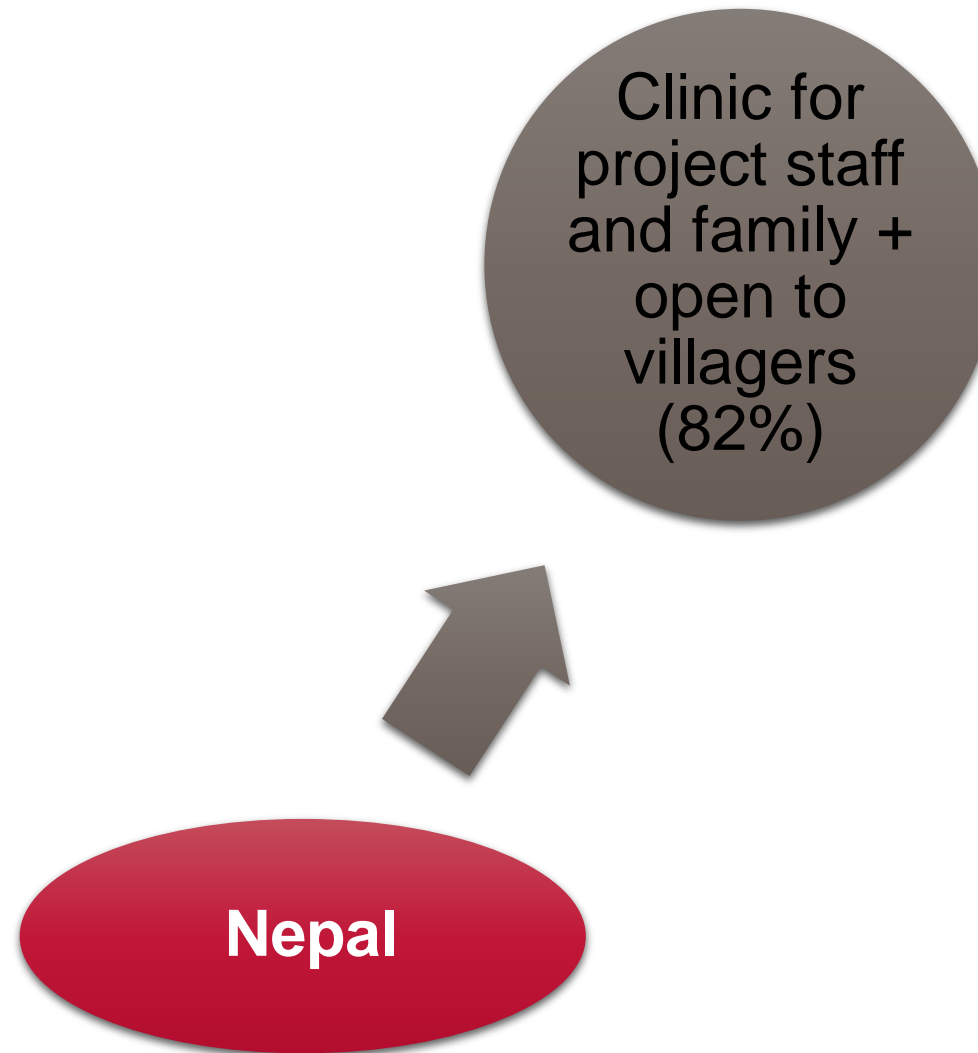
Sustainable basin management



Capacity-building & training



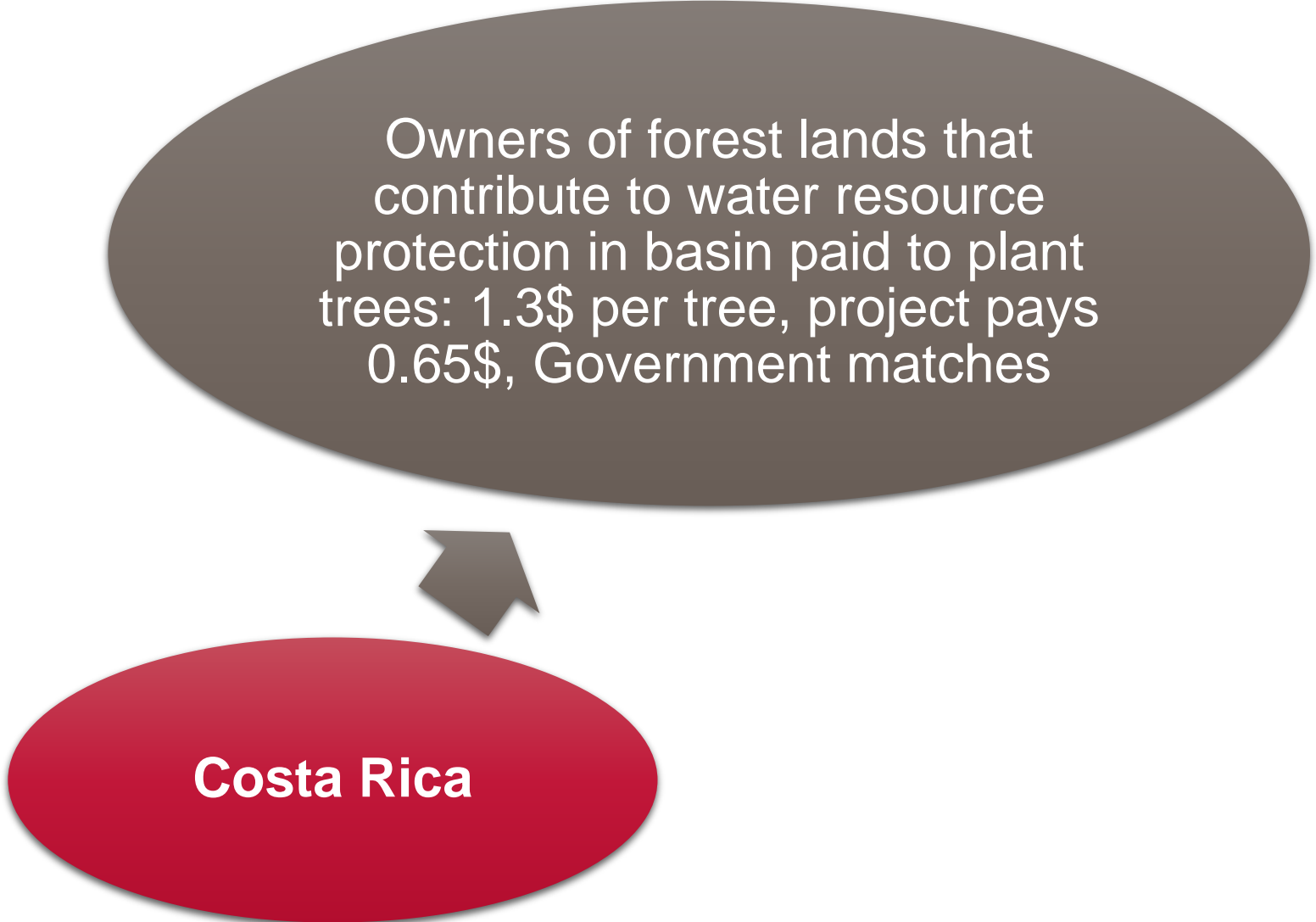
Direct health care intervention



Direct Payments



Payments for environmental services

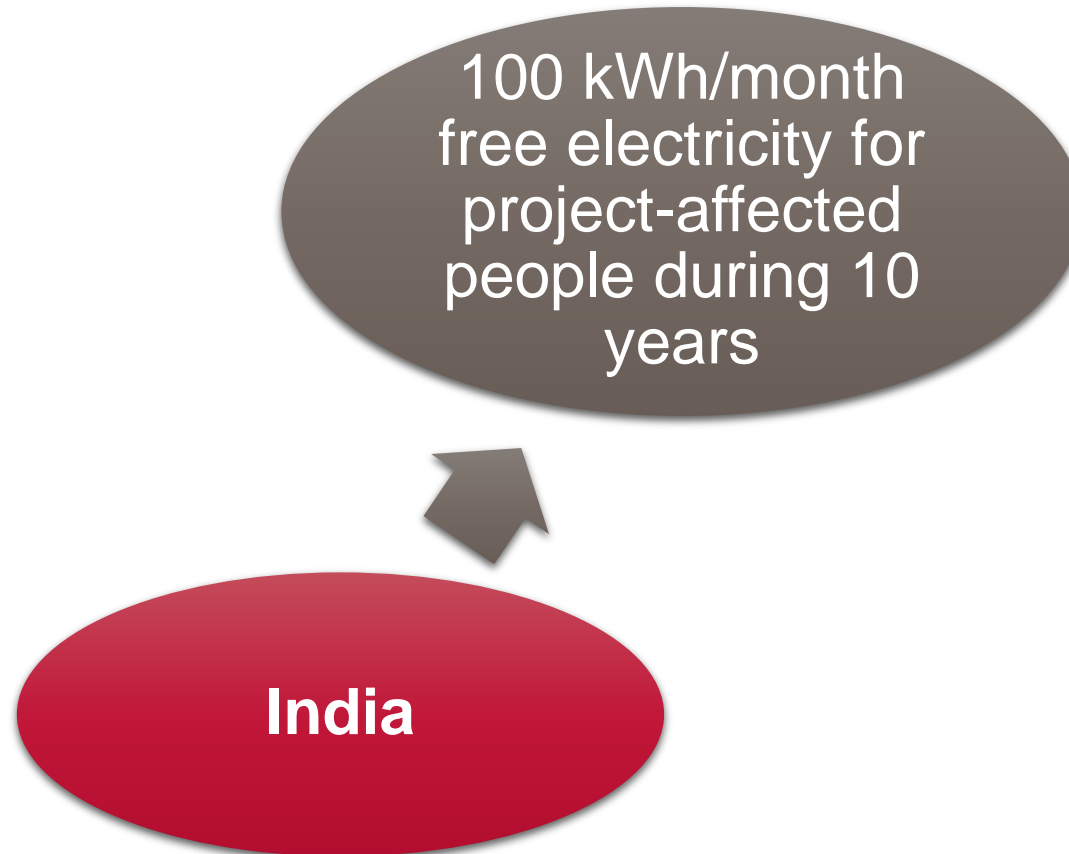



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graph BT; A([Costa Rica]) --> B([Owners of forest lands that contribute to water resource protection in basin paid to plant trees: 1.3$ per tree, project pays 0.65$, Government matches]);
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Owners 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





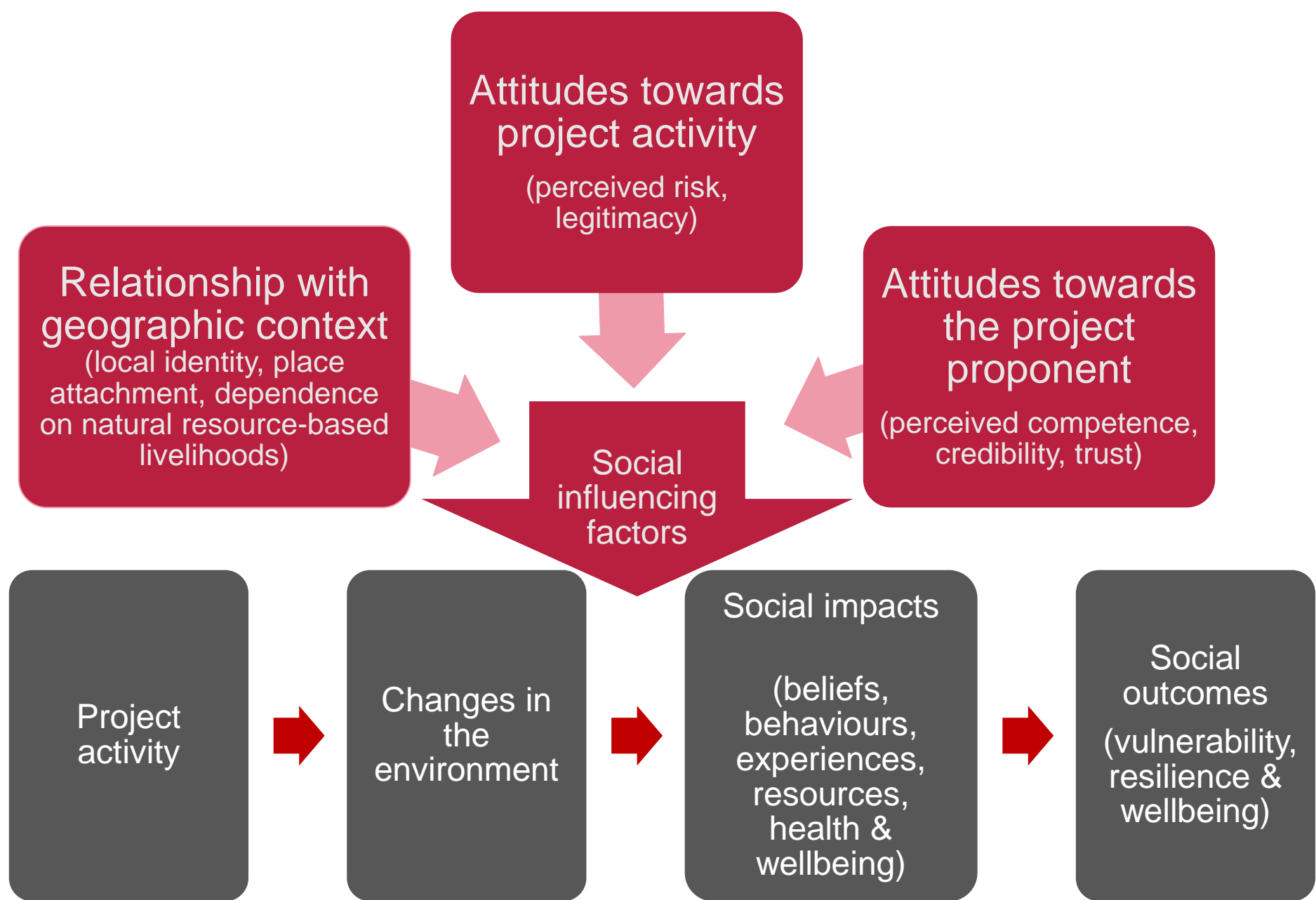
How can SIA help work out
what makes sense
for a specific power plant project
in a specific place
in Iceland?



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

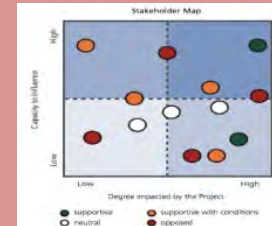
SIA is a tool to answer:



***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



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