



The MRC Basin Development Plan

Social and Environmental Issues and Assessments (SIA, SEA)

BDP Library Volume 9

July 2004
Revised December 2005

Mekong River Commission



BDP

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(SIA, SEA)**

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Foreword

The BDP Library was compiled towards the end of Phase 1 of the BDP Programme. It provides an overview of the BDP formulation, together with information about the planning process and its knowledge base, tools and routines.

The library incorporates the essence of more than a hundred technical reports, working papers and other documents. It consists of 15 volumes:

- 1 The BDP planning process
- 2 Sub-area analysis and transboundary planning
- 3 Sub-area studies (including 13 sub – volumes)
- 4 Scenarios for strategic planning
- 5 Stakeholder participation
- 6 Data system and knowledge base
- 7 MRCS Decision Support Framework (DSF) and BDP applications
- 8 Economic valuation of water resources (RAM applications)
- 9 Social and environmental issues and assessments (SIA, SEA)
- 10 IWRM strategy for the Lower Mekong Basin
- 11 Monographs. March 2005
- 12 Project implementation and quality plan
- 13 National sector reviews
- 14 Regional sector overviews
- 15 Training

The work was carried out jointly by MRC and the NMCs with comprehensive support and active participation by all MRC programmes and more than 200 national line agencies. Financial and technical support was kindly granted by Australia, Denmark, Japan, Sweden and Switzerland.

The library has been produced for the purpose of the BDP and is intended for use within the BDP Programme. The work was done from 2002 to 2005, and some information may already have been superseded by new developments and new knowledge. The library does not reflect the opinions of MRC nor the NMCs.

It is hoped that the work will contribute to the sustainable development of water resources and water-related resources in support of the MRC vision of *'an economically prosperous, socially just and environmentally sound Mekong River Basin'*.

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The authors gratefully appreciate the data, information, guidance and support received in connection with the work from other MRC programmes (in particular the Environment Programme), from the NMCs, and from many national line agencies.

Acronyms and abbreviations

BDP	:	Basin Development Plan (of MRC)
CEA	:	cumulative effects assessment
CNMC	:	Cambodia National Mekong Committee
DFID	:	Department for International Development (of the UK)
DSF	:	Decision-Support Framework (of MRC)
EIA	:	environmental impact assessment
GWP	:	Global Water Partnership
IDTs	:	International Development Targets
IWRM	:	integrated water resources management
LMB	:	Lower Mekong Basin (the Mekong Basin parts of Cambodia, Lao PDR, Thailand and Viet Nam)
LNMC	:	Laos National Mekong Committee
MRC	:	Mekong River Commission
MRCS	:	Mekong River Commission Secretariat
NA, n/a	:	not applicable
NGO	:	non-governmental organization
NMC	:	National Mekong Committee
PRS	:	poverty reduction strategy
RAOM	:	Resource Allocation and Optimization Model (under the DSF) (later replaced by the Resource Allocation Model, RAM)
SEA	:	strategic environmental assessment
SIA	:	social impact assesment
TNMC	:	Thailand National Mekong Committee
VNMC	:	Viet Nam National Mekong Committee
WUP	:	Water Utilization Programme (of MRC)

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Executive summary

Strategic Environmental Assessment (SEA)

Strategic Environmental Assessment (SEA) is a tool aimed at identifying potential environmental impacts at an early stage in development planning (e.g. associated with policies, plans and programmes), and to recommend means to prevent and/or manage these impacts. Like project-level EIA, SEA aims to answer the three questions:

- 1 What could be the potential environmental implications of undertaking an activity (e.g. executing a plan; implementing a suite of development projects etc.)?
- 2 Are these implications important? – do they matter?
- 3 What can be done about those that are important?

The concept of, and process for, SEA is similar to that of project-level Environmental Impact Assessment (EIA) for which all the LMB countries have national legislation. SEA is however applied to higher levels of planning (such as development plans), with the aim of ensuring that environmental concerns are taken into account in the design and execution of the plan. For the BDP, it is suggested to apply a simplified procedure to avoid complexity and reduce the level of time and effort required.

The procedure broadly prescribes the assessment of development interventions against environmental and social criteria. These criteria reflect the objectives that have been established for development of the basin. These in turn will be derived from a consideration of existing environmental conditions and trends in the basin (from e.g. sub-area analysis) and from a review of national environmental, sustainable development and poverty reduction policies and strategies.

At *'Level 1 SEA'* (during formulation of the Basin Development Strategy), the extent to which broad development interventions (e.g. hydropower development, expansion of irrigated agriculture etc.) affect the chosen criteria is assessed. Two tools are used for this:

- 1 A scoping matrix; and
- 2 Impact description & mitigation tables.

At *'Level 2 SEA'*, long list projects are screened for their potential to cause environmental impacts using a checklist tool. This will determine whether projects will require more detailed project-level Environmental Impact Assessment (EIA) or Cumulative Effects Assessment (CEA) to enable them to move onto a short list or during feasibility stages.

Methodologically, SEA should also include an evaluation of whether identified impacts are significant (answering the question – is the impact important?). In relation to the BDP however, this evaluation is determined as adding an unnecessary level of complexity to the development of the BDP Strategy. Even without this evaluation stage, the value of SEA applied to the BDP is that it provides a systematic process to identify potential environmental concerns early and therefore enable the incorporation of appropriate precautionary measures into the plan or strategy to address them.

Social Development and Social Impact Assessment (SIA)

Social Development is concerned with understanding broad dimensions to social change. It is specifically concerned with processes of social exclusion and inclusion, poverty analysis and strategies for poverty reduction, and highlights the vulnerabilities of socially excluded groups such as children, youth and the aged, indigenous peoples and ethnic minorities. Social

Development as an approach aims to achieve enhanced opportunities for very poor and marginalized people.

Three core issues underlying a Social Development perspective are poverty, vulnerability and conflict. Poverty is understood, and analysed, as a multi dimensional condition beyond simply lacking cash income. It is understood as a condition of deprivation in key assets important to sustaining a livelihood. This may include customary rights to communal lands, rivers and forests for subsistence; access to health and education services; relationships of exploitation; the ability to preserve a traditional way of life; as well as the means to earn an income, barter or exchange goods. Protection from vulnerability is also a key dimension to poverty; a person or groups ability to withstand periodic shocks, which may move them frequently back into a state of deprivation and uncertainty. Social Development is concerned with understanding conflict; the latent or manifest tensions underlying social relations, and the triggers that can lead to tensions becoming open conflict.

Social Impact Assessment (SIA) has evolved in response to the need for a holistic understanding of the impact of development initiatives. It is an important pillar in being able to meet the goals of sustainable development, of the harmonisation of the biological resource, economic and social spheres. In the past, assessing impact involved asking the following questions:

- Is it technically feasible?
- Is it financially viable?
- Is it legally permissible?

With the advent of Environmental Impact Assessment (EIA), a further question was asked:

- Is it environmentally sound?

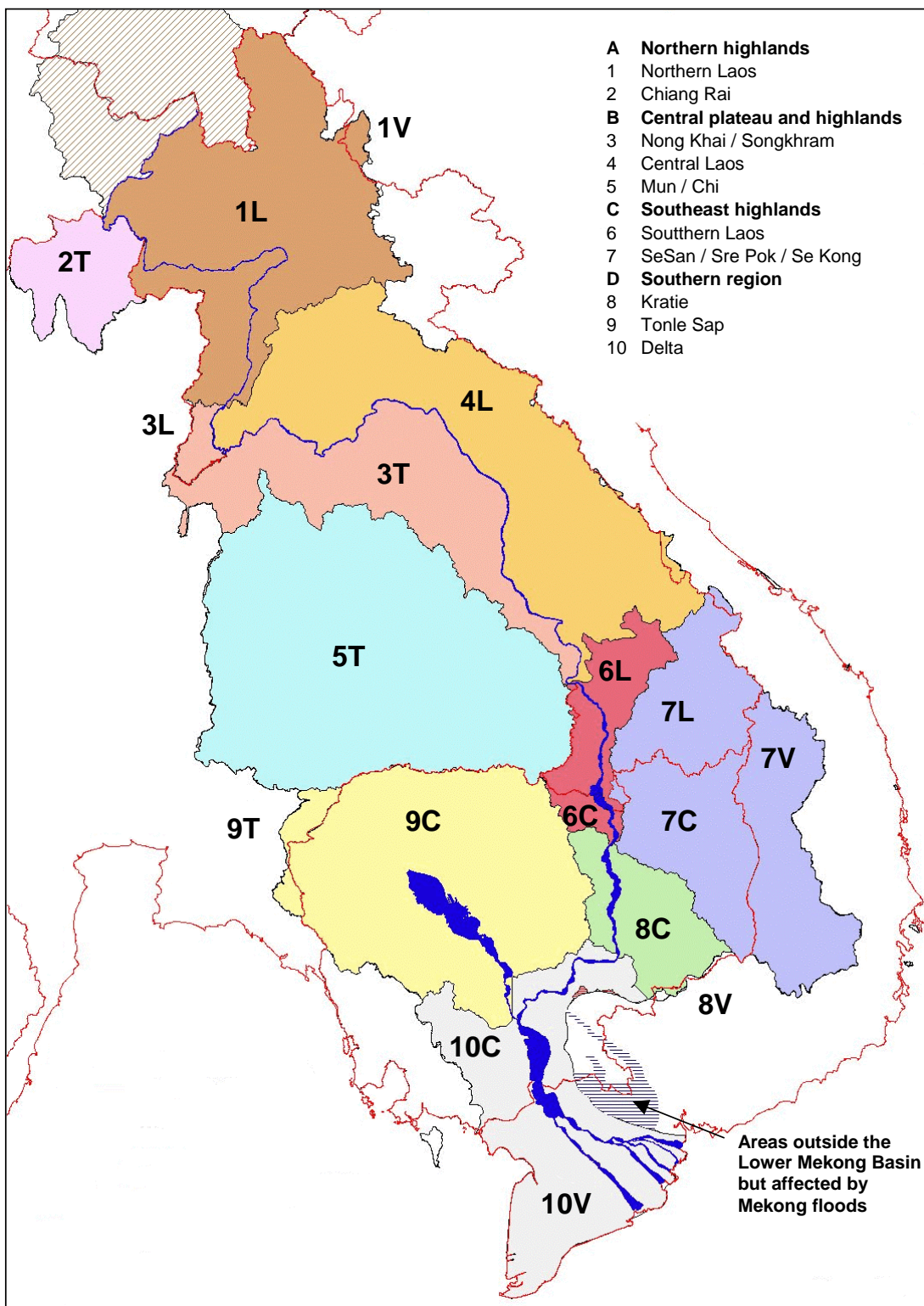
With SIA, a further two questions are posed:

- Is it socially desirable?
- Is it equitable and just?

The key steps in the SIA process are as follows:

- 1 Screening – this usually involves a preliminary review to decide whether a full impact assessment is necessary, and if so, at what level;
- 2 Scoping – involves defining the parameters of the impact assessment, setting goals for the assessment, defining the boundaries of the study and developing terms of reference. The emphasis remains upon the strategic, and not the comprehensive or detailed. Scoping seeks to identify what the key impacts might be;
- 3 Assessment – comprehensive analysis of the likely impacts and alternatives, and identification of the most appropriate impact mitigation and risk management measures;
- 4 Impact monitoring and review – periodic and structured monitoring of the activity against clearly defined impact indicators, to assess the process of change and to establish overall impact, with recommendations for change as necessary according to findings.

Map of BDP sub-areas



1 Introduction

The MRC Basin Development Plan (BDP) was instituted by the April 1995 Mekong Agreement. Following a series of preparatory studies, the BDP project document was approved by the MRC Council in October 2000. The BDP formulation (Phase 1) started in October 2001 and is scheduled for completion in July 2006.

The vision of the Basin Development Plan (BDP) is to contribute to acceleration of inter-dependent sub-regional growth by establishing a process and framework conducive to investment and sustainable development. To contribute to this vision, the BDP process being undertaken by the Mekong River Commission (MRC) should establish a planning framework for development programmes, capable of balancing efficient use of resources with protection of the environment and the promotion of social justice and equity.

There are two main outputs sought from the first phase of the BDP programme. First, the establishment of a more participatory form of basin planning than has previously existed in the Lower Mekong Basin for use in subsequent planning rounds. Second, an agreed short-list of high priority development projects with basin-wide or trans-boundary significance which have benefits that transcend national borders.

This paper describes the knowledge base for the planning process.

1.1 Origin of document

The document is based on reports and working papers prepared between October 2003 and July 2004:

Chaudhry, Peter (2004a): Social Impact Assessment - consultancy report for the Mekong River Commission (MRC) Basin Development Plan (BDP). May 2004

Chaudhry, Peter (2004b): Social development & Social Impact Assessment in the Basin Development Planning process. Orientation Paper for NMCs, July 2004

Curran, Colette (2003): Application of Strategic Environmental Assessment (SEA) to the MRC's Basin Development Plan. Discussion Paper, 17 October 2003

The present report has been compiled by extracts from the two last-mentioned references, as the first-mentioned one has largely been included in the second one.

1.2 Basis and context

1.2.1 Link/relationship of subject to IWRM

The strong relationship between environmental and social issues at the one hand, and IWRM at the other, as evident from the definition of IWRM as applied by Global Water Partnership (GWP):

IWRM is a process which promotes the co-ordinated development and management of water, land and related resources, in order to maximize the resultant economic and social welfare in an equitable manner without compromising the sustainability of vital ecosystems.

GWP makes the following observation regarding natural and human system interaction: ¹

The concept of Integrated Water Resources Management – in contrast to “traditional”, fragmented water resources management – at its most fundamental level is as concerned with the management of water demand as with its supply.

Thus, integration can be considered under two basic categories:

- *the natural system, with its critical importance for resource availability and quality, and*
- *the human system, which fundamentally determines the resource use, waste production and pollution of the resource, and which must also set the development priorities.*

Integration has to occur both within and between these categories, taking into account variability in time and space. Historically, water managers have tended to see themselves in a “neutral role”, managing the natural system to provide supplies to meet externally determined needs. IWRM approaches should assist them in recognizing that their behaviour also affects water demands. Clearly, consumers can only “demand” the product supplied, but water can be supplied with very different properties, for instance in terms of quality and availability in low flow or peak demand periods. Price and tariff design will also affect water demand, as will investments in infrastructure which translates potential into effective demand.

1.2.2 Link/relationship of subject to BDP Inception Report

The Inception Report retains the stage-wise approach to BDP formulation that had been identified during the programme formulation:

Stage 1 - analysis of the LMB and of sub-areas

Stage 2 - analysis of development scenarios

Stage 3 - strategy formulation

Stage 4 - compilation of long-list of programmes and projects

Stage 5 - compilation of short-list of programmes and projects

The environmental and social assessments are based on stages 1 and 2, and contribute to stages 3, 4 and 5.

1.2.3 Link/relationship of subject to other BDP reports / activities

The analyses and recommendations presented in the present document have been carried forward to the strategy formulation, and have been incorporated in the routines for project identification, screening and shortlisting of priority development initiatives.

¹ GWP (March 2000), p. 23

1.2.4 Link/relationship of subject to BDP's Logical Framework Matrix

In the BDP Logical Framework, the SEA and SIA studies have contributed to

Output 2.4	Basin-wide strategies
Activity 2.4.1	Scenario review
Activity 2.4.2	Strategy components
Activity 2.4.3	Formulation of strategies
Output 2.5	Project long-list
Activity 2.5.2	Effects, impacts, mitigation
Output 2.6	Project short-list
Activity 2.6.1	Selection criteria (also referred to as screening criteria)

1.3 Significance

1.3.1 Significance of subject for strategic planning

The significance of the social and environmental perspectives within IWRM is illustrated by a quotation from the new MRC Strategic Plan: ¹

'At the heart of the four countries' moves to develop the Mekong River Basin is a desire to more effectively develop the Basin's natural resources to improve the lives of the people. Recent population data from the four countries estimate that over 56 million people live in the basin. Despite impressive sustained economic growth, high poverty rates continue to exist in the region. Provincial poverty rates in the basin can be as high as 60%. While causes of poverty are varied, it is widely recognized that access to water is one of the most effective ways to alleviate poverty. Poverty alleviation can be realized through either use of water as an input to achieve food security and generate income, for domestic water supply and sanitation, and as an essential element of a healthy environment. On a larger-scale, water resource developments can provide state governments with a source of revenue and foreign exchange which can be channelled into investments for poverty alleviation and environmental protection.

The MRC member countries' long existing desire for economic growth, poverty alleviation, and environmental protection was given a further boost with the Millennium Declaration. The Millennium Declaration listed eight broad development goals termed the Millennium Development Goals (MDG).

.....

Goals that are particularly relevant to the MRC's missions are the ones which call for governments to:

- *Eradicate extreme poverty and hunger; and*
- *Ensure environmental sustainability.'*

¹ MRC (Oct 05), p. 20

1.3.2 Significance of subject for Mekong Basin

The many water-links between economic, social and environmental development and management are particularly important in the Lower Mekong Basin, where the large majority of livelihoods are water-dependent, and where unique aquatic habitats form the basis for subsistence, not to speak of large potential development opportunities.

The main perspective of the BDP is IWRM at the basin scale, and the studies presented in the present report have been carried out in a basinwide perspective. They illustrate, and emphasize the significance and the potential benefits of the social and environmental perspectives in the management of water and related resources.

The significance is referred to in several places of the 1995 Mekong Agreement, including its preamble:

'RECOGNIZING that the Mekong River Basin and the related natural resources and environment are natural assets of immense value to all the riparian countries for the economic and social well-being and living standards of their peoples,

REAFFIRMING the determination to continue to cooperate and promote in a constructive and mutually beneficial manner in the sustainable development, utilization, conservation and management of the Mekong River Basin water and related resources for navigational and non-navigational purposes, for social and economic development and the well-being of all riparian States, consistent with the needs to protect, preserve, enhance and manage the environmental and aquatic conditions and maintenance of the ecological balance exceptional to this river basin,

AFFIRMING to promote or assist in the promotion of interdependent sub-regional growth and cooperation among the community of Mekong nations, taking into account the regional benefits that could be derived and/or detriments that could be avoided or mitigated from activities within the Mekong River Basin undertaken by this framework of cooperation, ...'

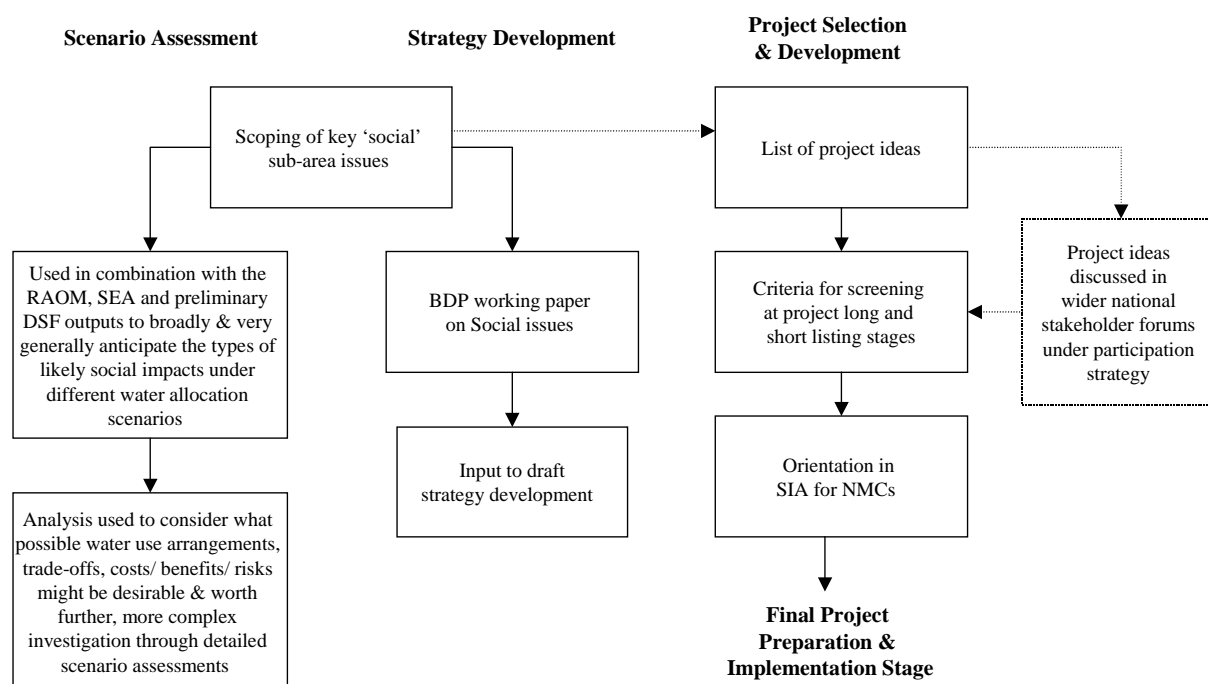
1.3.3 Significance of subject for MRCS / BDP 1

2 Summary of approach

Strategic environmental assessment (SEA)

	“Level 1” SEA	“Level 2” SEA	CEA & EIA
When apply	During formulation of Strategy	During evaluation of long-list projects and selection of short-list	During detailed examination of feasibility of individual projects / programmes and groups thereof
Purpose	Identify environment and social risks Recommend broad measures to reduce risks Define checklists for evaluation of Long List projects	Provide information for ranking and thereby selection of short list projects Ensure consistency with the Strategy and its environmental and social objectives Screen shortlisted projects for impacts	Ensure that environmental and social impacts of projects, and of combinations of projects/programmes, are prevented or reduced to acceptable levels
Outputs	Recommendations for: Long-list projects Strategic principles Level 2 SEA checklists	Recommendations for: Projects suitable for short list Assessment requirements for these projects	Recommended design changes and other management and monitoring measures to be incorporated into implementation

Social Development and social impact assessment (SIA)





3 Strategic Environmental Assessment (SEA)

by Colette Curran, October 2003

3.1 Introduction

The formulation of a Basin Development Plan (BDP) for the Lower Mekong Basin (LMB) is a key task laid out in the 1995 Mekong Agreement. The Agreement defines the BDP as a planning tool to identify, categorise and prioritise projects and programmes for joint and/or basin-wide development.

The BDP, as a process and as a planning blueprint, will therefore establish a framework for shared planning and management of the basin and a strategic framework within which the MRC will operate.

It is envisaged that as a planning document, the BDP will provide:

- *A Basin Development Strategy;* and
- *A Basin Development Management Plan.*

3.1.1 Basin Development Strategy

To meet the objectives of the BDP as laid out in the 1995 Agreement, the Strategy will need to set:

- A description of development objectives and indicators consistent with the policy goals of the 1995 Agreement and of each country;
- An agreed strategy for developing and managing the water and water-related resources to best fulfil the development objectives (and thereby a framework for MRC's activities in the basin); and
- A procedural process for identifying, categorising and prioritising projects and programmes for joint / basin-wide development.

In order to promote the sustainable and equitable utilisation of the Lower Mekong River Basin however, the BDP must take into account national development interests and aspirations. In so doing, it must also include advice or principles to guide national development and to ensure that harmful effects to other member states resulting from development activities are minimised (c.f. Articles 1, 3, 5 & 7, of 1995 Agreement).

3.1.2 Basin Development Management Plan

The Management Plan will set out specific actions to develop and manage the basin's resources and the means to monitor these. It has for example been proposed that it will include (1):

- A portfolio of transboundary programmes and projects to meet strategic needs. These will be made up of:
- Structural investment projects (e.g. bank protection schemes);
- Non-structural development programmes (e.g. regulations to prevent overexploitation of fish stocks); and
- Programmes to address identified knowledge gaps (research etc);
- A time-lined and costed action plan within assigned responsibilities; and

(1) Defining a Basin Development Strategy, Malcolm Wallace, July 2003.

- Time-bound, quantified targets and procedures for monitoring these and plan implementation.

3.2 Need for Strategic Environmental Assessment

3.2.1 What is Strategic Environmental Assessment (SEA)

Strategic Environmental Assessment (SEA) is a tool aimed at identifying potential environmental impacts at *an early stage in development planning* (e.g. associated with policies, plans and programmes), and to recommend means to prevent and/or manage these impacts. Like project-level EIA, SEA aims to answer the three questions:

- 1 What could be the potential environmental implications of undertaking an activity (e.g. executing a plan; implementing a suite of development projects etc.)?
- 2 Are these implications important? – do they matter?
- 3 What can be done about those that are important?

The concept of, and process for, SEA is similar to that of project-level Environmental Impact Assessment (EIA) for which all the LMB countries have national legislation. SEA is however applied to higher levels of planning (such as development plans), with the aim of ensuring that environmental concerns are taken into account in the design and execution of the plan.

Note that “Environment” in the context of SEA should be considered in the widest sense as meaning the *biological, physical and human environment* (e.g. ecology, water quality and livelihoods). This is consistent with the approach adopted by the major development institutions.

3.2.2 Why is SEA required for the BDP

Environmental considerations – taken in their widest sense as described above – are a critical element in ensuring the sustainable and equitable use of the Mekong river basin. The BDP team have indicated that the existing tools being used to develop the BDP strategy and action plan (1), do not presently take full account of the wider environmental consequences of development in the basin. These wider consequences relate for example to:

- Pollution of river water as a consequence of industrial development and urbanisation;
- Loss of rural livelihood as a result of reduced fishery stocks;
- Increased incidence of communicable diseases such as HIV following development of a port and increased regional trade.

(1) Existing tools include the WUP Decision Support Framework (DSF) and the Resource Allocation & Optimisation Model (RAOM). These tools are being used to build an in-depth understanding of the inter-relationships between different development scenarios and water flows (quantities)

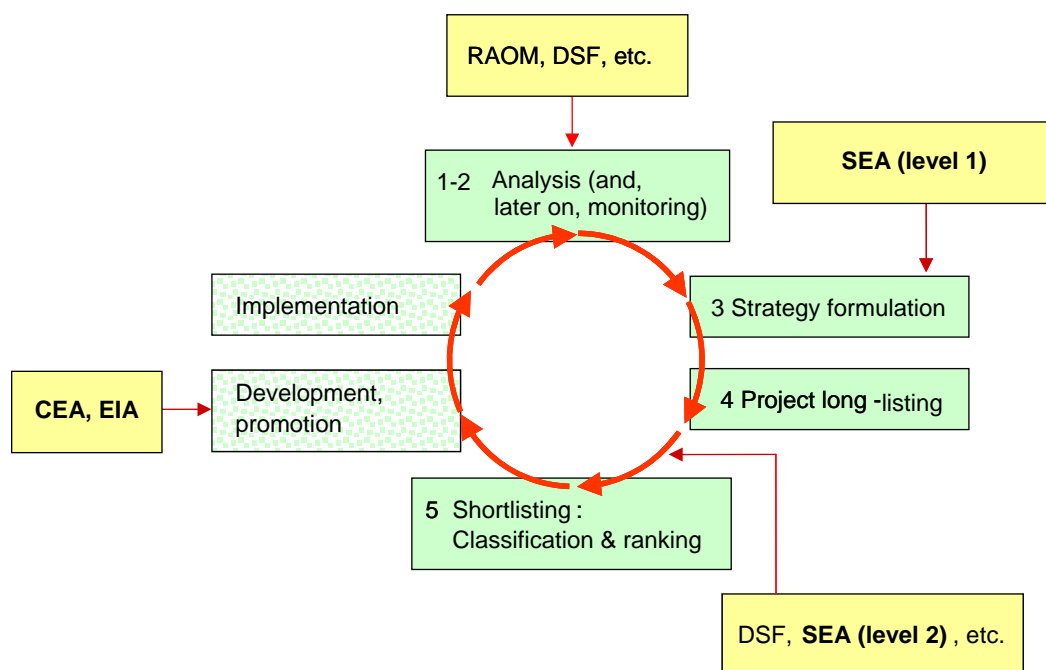
SEA was proposed as a tool to take account of these wider impacts within basin-wide planning in a study completed for the MRC's Environment Programme in April 2002 (1). Whilst each country in the LMB has its own legislation regulating environmental impacts of specific developments (e.g. one hydropower project, one navigation improvement scheme etc.) there is currently no systematic process to take account of multiple developments which may have cumulative impacts, nor developments that might cause transboundary impacts.

As a strategic planning tool to facilitate basin-wide planning, the BDP was therefore seen as the ideal platform upon which to examine the cumulative and transboundary consequences of development within the basin.

3.3 Application of SEA to the BDP

Proposed application of SEA to the BDP is illustrated in Figure 3.1. The figure also demonstrates the role for programme and project level Cumulative Effects Assessment (CEA) and Environmental Impact Assessment (EIA) during the detailed formulation of specific short-listed activities.

Figure 3.1: Potential application of SEA within the BDP



(1) Development of an EIA and SEA System for the Lower Mekong Basin, prepared by Environmental Resources Management (ERM), April 2002.

The purpose and outputs for SEA, CEA and EIA within the context presented above are summarised in Table 3.1.

Table 3.1: Purpose of SEA within the BDP

	“Level 1” SEA	“Level 2” SEA	CEA & EIA
When apply	During formulation of Strategy	During evaluation of long-list projects and selection of short-list	During detailed examination of feasibility of individual projects / programmes and groups thereof
Purpose	Identify environment and social risks associated with development Recommend broad measures to reduce risks at national & regional levels Define checklists for evaluation of Long List projects (during Level 2 SEA)	Provide information for ranking and thereby selection of short list projects Ensure projects selected for the short-list are compatible with the Basin Strategy and in particular with its environmental and social objectives “Screen” shortlisted projects for their potential to cause environmental and social impacts (& therefore require an EIA and/or CEA)	Ensure that environmental and social impacts of projects, and of combinations of projects/programmes, are prevented or reduced to acceptable levels and taken into consideration when deciding how that project / programme will be implemented
Outputs	Recommendations for: long-list projects strategic development “principles” Broad issues identification for individual development activities Checklists for level 2 SEA	Recommendations for: Projects suitable for short list Environmental assessment requirements for these projects (e.g. preliminary scope for EIA or CEA)	Recommended design changes and other management and monitoring measures to be incorporated into project / programme implementation

3.4 Proposed SEA process and tools

3.4.1 Overview

The SEA process is similar to the steps followed in project-level EIA for which each of the LMB countries have legal procedures. For BDP however, it is determined to apply a simplified procedure to avoid complexity and reduce the level of time and effort required.

The procedure broadly prescribes the assessment of development interventions against environmental and social criteria. These criteria reflect the objectives that have been established for development of the basin. These in turn will be derived from a consideration of existing environmental conditions and trends in the basin (from e.g. sub-area analysis) and from a review of national environmental, sustainable development and poverty reduction policies and strategies.

At “Level 1 SEA” (during formulation of the Basin Development Strategy), the extent to which broad development interventions (e.g. hydropower development, expansion of irrigated agriculture etc.) affect the chosen criteria is assessed. Two tools are used for this:

1. A scoping matrix; and
2. Impact description & mitigation tables.

These tools are described in more detail below.

At “Level 2 SEA”, long list projects are screened for their potential to cause environmental impacts using a checklist tool. This will determine whether projects will require more detailed project-level Environmental Impact Assessment (EIA) or Cumulative Effects Assessment (CEA) to enable them to move onto a short list or during feasibility stages.

Methodologically, SEA should also include an evaluation of whether identified impacts are significant (answering the question – is the impact important?). In relation to the BDP however, this evaluation is determined as adding an unnecessary level of complexity to the development of the BDP Strategy. Even without this evaluation stage, the value of SEA applied to the BDP is that it provides a systematic process to identify potential environmental concerns *early* and therefore enable the incorporation of appropriate precautionary measures into the plan or strategy to address them.

3.4.2 Level 1 SEA: During Strategy Formulation

Purpose

As described in Table 3.1, the purpose of applying SEA at the stage of strategy formulation is to ensure that environmental considerations are fully taken into account and appropriate principles recommended to promote sustainable development within the Basin Development Strategy. SEA at this stage will:

- Identify potential environmental (in its widest sense) risks associated with development in the basin;
- Ensure that environmental safeguards are built into the Strategy which will prevent or reduce these risks – these may include recommendations to refine the Strategy Objectives and/or include specific environmental safeguard principles into the Strategy;
- Provide guidance to the MRC and national governments on steps to be taken when undertaking development in the Basin; and
- Determine criteria against which long-list projects will be assessed.

Process, information and tools

The suggested process to be followed could be as presented in Table 3.2.

Table 3.2: Proposed process and tools for application of SEA to strategy formulation

Process	Requirements	Suggested tools
Propose, define and agree assessment criteria which reflect national government environment / sustainable development / poverty goals and relate to the protection of critical environmental assets	Initial Strategy Objectives Results of Sub-area analysis Review of national policy documents and strategies on environment, sustainable development, poverty reduction etc.	N/A
Identify & describe broad types of development interventions which could be undertaken in the LMB that have the potential to affect the river basin and the environment and people it supports	Results of sub-area analysis Results of MRC Programme analysis	N/A
“Scope” the SEA: determine what development interventions could affect the environment in the basin	Results of 1 & 2	Scoping matrix
For each type of intervention, briefly describe how it could impact each relevant criteria	Results of 1, 2 & 3	Impact description & mitigation table
Recommend practical means of preventing or reducing the impacts at national and regional levels	Results of 4	Impact description & mitigation table
Analyse trends in impacts and suggested mitigation measures and determine whether strategy objectives require refinement or specific “principles” added to the strategy to safeguard the basin’s environment.	Results of 1-5	N/A
Develop appropriate checklists for use during screening of long-list projects	Results of 1-6 Agreed BDP Strategy Objectives Agreed formats for reviewing and prioritising long-list projects	Outline checklist
Report the results of the SEA and integrate these into the BDP Strategy	Results of 1-7	N/A

It is anticipated that this suggested process would need refinement so that it fully reflects the steps in preparing the strategy.

Description of tools

Two tools are proposed for use during this “Level 1 SEA”:

1. Scoping matrix;
2. Impact description & mitigation tables.

Taken broadly, the purpose of the scoping matrix is to identify which criteria a given intervention might impact. The Impact Description & Mitigation Tables then provide

slightly more detail on how each intervention could affect the criteria (so that it is understandable to a non-specialist) and to describe ways in which these impacts could be prevented or reduced either at national or regional levels.

The recommendations for regional level mitigation, management and/or monitoring could, where considered relevant, be incorporated into long-list projects for consideration by the BDP.

3.4.3 Level 2 SEA: During selection of BDP short- list

Purpose

The aim of applying SEA during the review of long list projects and selection of short-list projects will be to:

- Confirm that they meet the Objectives set out in the BDP Strategy in relation to environment;
- Screen whether there are any potential environmental risks associated with the project and thereby to determine whether more detailed environmental assessment (e.g. EIA or CEA) is required; and
- Make recommendations on environmental grounds as to whether the project is suitable to move onto the BDP short list.

Process, information & tools

The process for applying SEA during the review of long-list projects is designed to be quick and simple. It involves the use of a simple checklist tool for each long-list project, which will provide information that feeds into the identification and prioritisation of projects for the BDP short list.

The first part of the checklist will aim to illustrate how the project will contribute to the BDP Strategy's objectives.

In its second part, the checklist tool will involve a series of questions to determine whether the project has the potential to cause environmental impacts, e.g.:

- Could the project increase the exploitation of natural forests?
- Will the project result in impacts that could threaten the health of people?

These questions will enable the project to be "screened", i.e. determine whether a more detailed analysis of impacts is necessary (e.g. through an EIA or CEA) and whether measures need to be incorporated into the design of the project to prevent and/or reduce impacts to acceptable levels.

In its final part, it is envisaged that the checklist will also include questions such as:

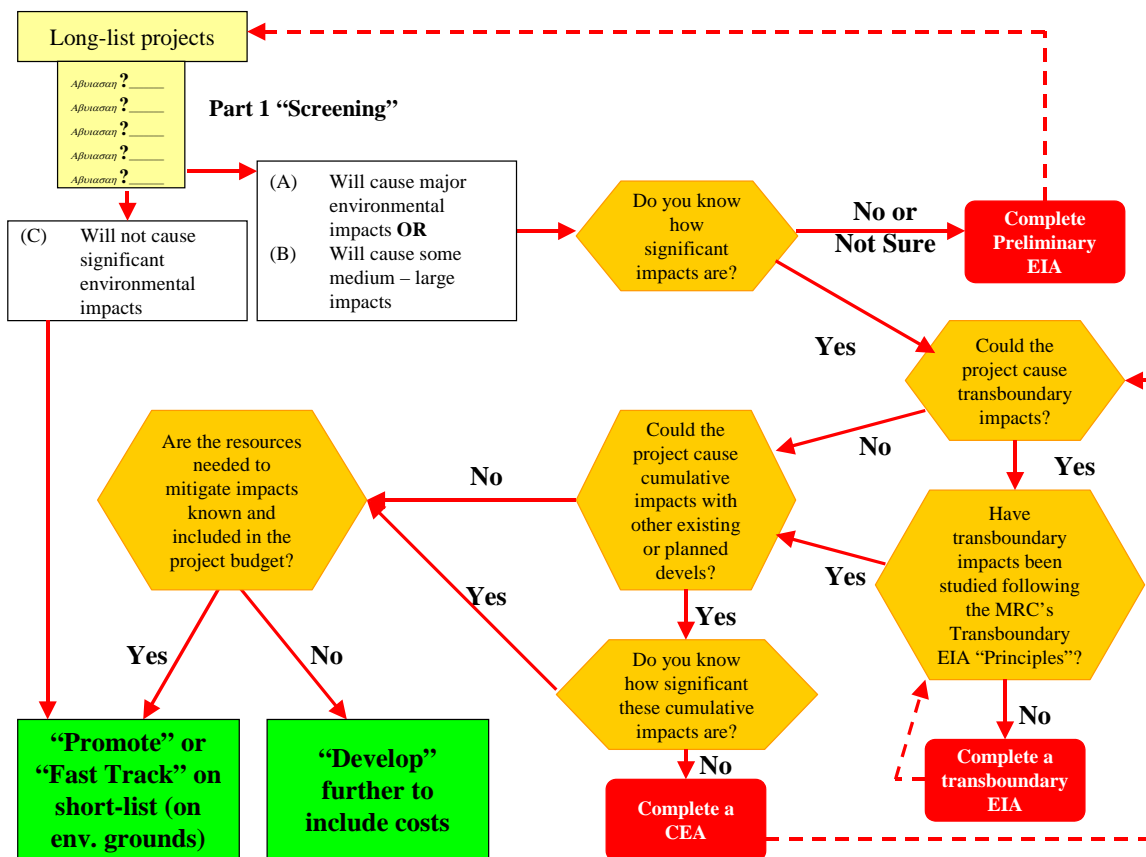
- Is there sufficient information to determine how important environmental impacts might be?
- Could the project cause impacts in another country?
- Could the project's impacts interact with other developments in the area and cause greater impacts than if the project was considered on its own?
- Can the identified impacts be easily prevented and/or reduced at minimum cost?

Yes/no answers to these questions, and a description of why, will help to determine whether the project should move onto the BDP short list on environmental grounds, as illustrated in Figure 3.

A preliminary example of a checklist is given in Annex 2. This checklist, and the questions therein, will require refinement and further development during Level 1 SEA so that it fully reflects the objectives and principles in the BDP strategy and process for identifying and prioritising projects for the BDP short-list.

Figure 3.2: Level 2 SEA leading to project short-listing

Note that this diagram is an illustrative example – it will require more detailed development during Level 1 SEA.



3.4.4 CEA & EIA: During formulation of individual projects / groups

For projects that have been screened, during Level 2 SEA, as having potential to cause significant environmental impacts, they will need to carry out a more detailed assessment and evaluation of impacts during project formulation (and feasibility studies).

National governments already have legislated procedures for carrying out EIA studies. For projects likely to have transboundary impacts, the MRC is in the process of developing “principles” for transboundary cooperation on EIA. These will need to be followed.

Finally, for those projects determined as having significant potential to cause cumulative impacts, a cumulative effects assessment will be needed to determine what measures need to be taken to prevent or minimise cumulative effects.

The purpose of these tools is to:

- Make detailed predictions of the impacts of projects and evaluate whether or not they are significant (or “acceptable”);
- For those impacts determined as unacceptable, to define ways of preventing those impacts occurring or reducing them to acceptable levels.

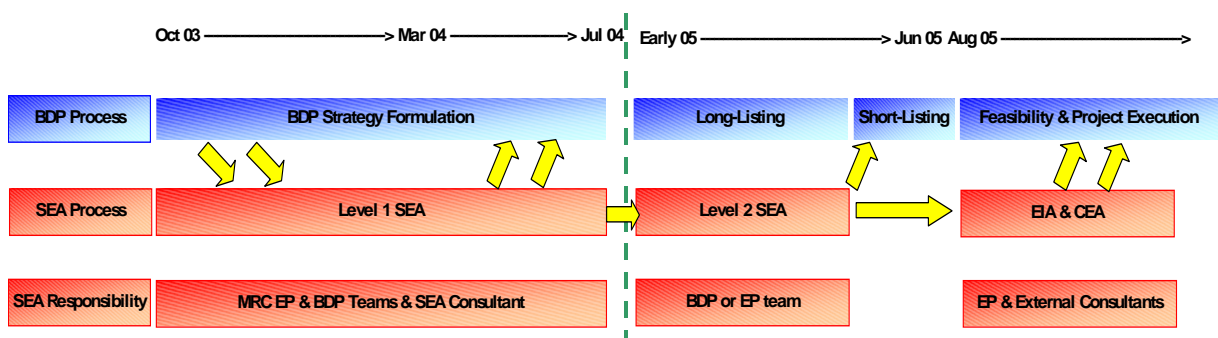
The results of these assessments should help to determine whether the project is feasible on environmental grounds and what actions need to be taken in the design and execution of the project to minimise impacts. The purpose, process, tools and outputs of project-level EIA and CEA are described in more detail in the report “Proposed EIA/SEA System for the Lower Mekong Basin” prepared for the MRC’s Environment Programme in April 2002.

For long-list projects which have been “screened” during Level 2 SEA as “not having sufficient information to determine the importance of impacts”, a preliminary EIA or CEA could help to provide additional information about the feasibility of the project. This might then enable decisions to be made about moving the project to the BDP short-list.

3.5 Responsibilities, timing and resources for SEA

Suggested responsibilities, timing and resources needed for SEA during the BDP are illustrated in Figure 3.3.

Figure 3.3: Timing, responsibilities and resources for SEA



3.6 Next Steps

Provided that the suggested application of SEA to the BDP described in this chapter is acceptable to the BDP team and relevant counterparts, the suggested next steps to initiate the Level 1 SEA process are as follows:

1. Selection and definition of assessment criteria: Requires
 - a. Identification of key environmental assets / issues in the LMB (e.g. from state of the basin report & sub-area analyses);
 - b. Review of national policies and strategies for environment, sustainable development and poverty reduction etc.; and
 - c. Initial draft definition of BDP strategic objectives / criteria.
2. Selection and broad definition of types of development intervention in the basin;
3. Scoping and Impact Description and Mitigation;
4. Analysis of results and formulate recommendations for inclusion in the BDP Strategy;
5. Develop Level 2 SEA Checklist and accompanying guidelines; and
6. Summarise Level 1 SEA process and results in a short working paper.

Level 2 SEA should then begin as soon as long-list projects are identified.



4 Social Impact Assessment (SIA)

by Peter Chaudhry, July 2004

4.1 Introduction

This chapter is organised in the following way: Section 4.2 discusses the broad principles of Social Development as an approach to planning, and highlights the key issues of concern within this approach. Section 4.3 then discusses Social Impact Assessment (SIA) as a methodology for ensuring issues of a ‘social’ nature are identified and addressed in Plan processes and activities. Section 4.4 discusses how Social Development issues are being mainstreamed within the BDP process, and how SIA tools are to be applied. Appendices 1 and 2 then provide: SIA screening pro formas developed for use at BDP project long and shortlisting stages (Appendix 1) and; checklists and pro formas for the final SIA of selected BDP projects (Appendix 2).

4.2 Principles of Social Development as a planning concern

4.2.1 Summary definition

Social Development is concerned with understanding broad dimensions to social change. It is specifically concerned with processes of social exclusion and inclusion, poverty analysis and strategies for poverty reduction, and highlights the vulnerabilities of socially excluded groups such as children, youth and the aged, indigenous peoples and ethnic minorities. Social Development as an approach aims to achieve enhanced opportunities for very poor and marginalized people.

4.2.2 Key issues

Three core issues underlying a Social Development perspective are *poverty*, *vulnerability* and *conflict*. Poverty is understood, and analysed, as a multi dimensional condition beyond simply lacking cash income. It is understood as a condition of deprivation in key assets important to sustaining a livelihood. This may include customary rights to communal lands, rivers and forests for subsistence; access to health and education services; relationships of exploitation; the ability to preserve a traditional way of life; as well as the means to earn an income, barter or exchange goods. Protection from vulnerability is also a key dimension to poverty; a person or groups ability to withstand periodic shocks, which may move them frequently back into a state of deprivation and uncertainty. Social Development is concerned with understanding conflict; the latent or manifest tensions underlying social relations, and the triggers that can lead to tensions becoming open conflict.

4.2.3 Underlying conceptual approaches

Underlying Social Development approaches are the two related tenets of *participation* and *‘rights’*. Participation is central to a Social Development approach, because it seeks to centre analysis upon people themselves, and include them as active agents in processes of change. Social Development is therefore frequently described as being ‘bottom-up’ and ‘people centred’. Given the central focus upon poverty, participation is also crucial in providing influence for the poor and marginalized, who are least able to have a voice in processes of development, and who are sometimes ignored under other disciplinary approaches. Participation ensures that Social Development remains ‘process oriented’, and that actions are not pre-prescribed, but rather result from ongoing dialogue and exchange with ‘subjects’ themselves.

The concept of rights is also fundamental to a Social Development approach. All people, irrespective of their status, gender, identity or wealth are assumed to enjoy certain inalienable rights. These rights are not simply local entitlements, subject to national conditions, but are enshrined in international agreements, covenants and declarations signed on to by the vast majority of the world's governments. Box 4.1 shows the international human rights framework, the cornerstone of which is the Universal Declaration of Human Rights. Every country in the world has ratified at least one of the major conventions contained in the framework.

Box 4.1: The International Human Rights Framework

- Universal Declaration of Human Rights (1948)
- International Covenant on Civil and Political Rights (1976)
- International Covenant on Economic, Social and Cultural Rights (1976)
- The Convention on the Elimination of All Forms of Racial Discrimination (1969)
- The Convention on the Elimination of All Forms of Discrimination against Women (1979)
- The Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (1987)
- The Convention on the Rights of the Child (1990)

The concept of rights also underpins the Millennium Development Goals (MDGs), the International Development Targets (IDTs) to which most states have committed themselves and which provide the basis for national planning for many developing countries today, including Cambodia, Laos, Thailand and Vietnam. The MDGs are summarized in Box 4.2. Rights based approaches underpin the operations of many international development organisations today. The UK Government's Department for International Development (DFID) pursues rights based approaches to development, and many international Non-Governmental Organisations (NGOs) have explicit rights based strategies. Box 4.3 contains the five 'rights based' programme aims of Oxfam, a long established international NGO.

Box 4.2 : The Millennium Development Goals

- | | | | |
|--------|---|--------|---|
| Goal 1 | Eradicate extreme poverty and hunger | Goal 5 | Improve maternal health |
| Goal 2 | Achieve universal primary education | Goal 6 | Combat HIV/ AIDS, malaria, and other diseases |
| Goal 3 | Promote gender equality & empower women | Goal 7 | Ensure environmental sustainability |
| Goal 4 | Reduce child mortality | Goal 8 | Develop a global partnership for development |

www.un.org/millenniumgoals/

Box 4.3: Oxfam's 5 aims: A rights based approach

The right to a sustainable livelihood

Basic needs such as food, shelter and clean water should be achievable for all, people should be able to preserve the natural resources on which they depend.

The right to services

Health, education and other services should be available to all.

The right to life and security

People should live free from fear or displacement due to wars, crime and other violence.

The right to be heard

People should be able to organize, speak out and take part in decisions which affect them.

The right to an identity

People should live free from discrimination on the grounds of gender, ethnicity or other issues of identity.

www.oxfam.org

4.2.4 Cross-cutting themes in Social Development

Social Development is concerned with a number of dimensions to poverty, vulnerability, and conflict, which manifest themselves in analysis as cross cutting themes. One is *gender*. Women and men are understood to have both overlapping, and competing needs, and a gender disaggregated analysis is therefore important in understanding their different needs. Gender mainstreaming is a central goal in Social Development and is understood to mean more than simply promoting separate activities for women. Rather, it is concerned with transforming the structures and processes underlying relations between the sexes, and promoting equality of opportunity and access ('rights') for women within the arena of gender relations. MRC has made commendable strides towards mainstreaming gender in the organisation, and has in place a clear Gender Strategy and Gender Policy. A gender toolkit has been developed, and training carried out with National Mekong Commissions (NMCs) in each country. This work notwithstanding, much can still be done in mainstreaming gender as a core concern in MRC programme activities in particular, and in the BDP. The gender strategy states:

'Successful integrated water resources management calls for a cross sectoral approach to the planning, development, use and protection of water resources. Such an integrated approach links institutional, managerial, social, gender and economic aspects with technical analysis and problem solving, offering opportunities for development that responds to the various needs of all, men and women, on an equitable basis'

Another key cross cutting theme in Social Development is that of *cultural identity*. The protection and promotion of indigenous identities and culture is a key right, and Social Development analysis is concerned with cultural and ethnic identities, and the role they play in determining susceptibility to poverty and vulnerability. Ethnic identity is of central concern in the Mekong Basin particularly, as one of the world's great cultural and biodiversity hotspots, and ethnicity is clearly important in understanding the relationships between biodiversity preservation, environmental management and poverty reduction in the region.

A third key cross cutting theme is that of *equity*; the distribution of benefits, costs and risks, and the proportionate impact upon vulnerable and other targeted groups that an activity may have. Broadly speaking, Social Development is concerned with promoting equity as a goal, particularly for poor and vulnerable groups.

4.2.5 Social Development as an LMB priority

The promotion of a 'socially just' Mekong Basin is central to each of the MRC countries' core concerns with poverty eradication as a key and overarching policy goal. Poverty reduction targets are embodied in the national priorities of each state, with explicit commitments made to reducing poverty through Poverty Reduction Strategies (PRSs), and commitments to meeting the Millennium Development Goals. The Basin Development Plan can add value to the poverty reduction and Social Development targets of each riparian state, through promoting actions which address key transnational, basin wide issues of poverty and sustainable development common to all. The Plan can also add value to national poverty reduction strategies through identifying and addressing issues whereby the cumulative impact from working together may be far greater than that which results from each country working separately.

4.3 Social Impact Assessment (SIA) as a BDP tool

4.3.1 Social Impact Assessment and sustainable development

Social Impact Assessment (SIA) has evolved in response to the need for a holistic understanding of the impact of development initiatives. It is an important pillar in being able to meet the goals of sustainable development, of the harmonisation of the biological resource, economic and social spheres. In the past, assessing impact involved asking the following questions:

- Is it technically feasible?
- Is it financially viable?
- Is it legally permissible?

With the advent of Environmental Impact Assessment (EIA), a further question was asked:

- Is it environmentally sound?

With SIA, a further two questions are posed:

- Is it socially desirable?
- Is it equitable and just?

4.3.2 Limitations to SIA

SIA is concerned with *predicting change*, and *managing the risks* associated with change processes. SIA deals with both expected, and unexpected consequences. However, SIA is different to other forms of impact assessment in the nature of the phenomena studied. SIA is concerned with people, and therefore with human agency. Human interaction and decision making is complex and not easily reducible to cause and effect. Humans have choices, and exercise these choices on what are not always rational grounds. SIA is thus necessarily imprecise, because human action is too. The social component to the environment is different to the physical in another important way. Human beings and groups react and interact in anticipation of, and in response to, change. This too makes long-term prediction difficult.

4.3.3 The impact assessment process

The key steps in the impact assessment process are as follows:

- 1 Screening – this usually involves a preliminary review to decide whether a full impact assessment is necessary, and if so, at what level;
- 2 Scoping – involves defining the parameters of the impact assessment, setting goals for the assessment, defining the boundaries of the study and developing terms of reference. The emphasis remains upon the strategic, and not the comprehensive or detailed. Scoping seeks to identify what the key impacts might be;
- 3 Assessment – comprehensive analysis of the likely impacts and alternatives, and identification of the most appropriate impact mitigation and risk management measures;
- 4 Impact monitoring and review – periodic and structured monitoring of the activity against clearly defined impact indicators, to assess the process of change and to

establish overall impact, with recommendations for change as necessary according to findings.

4.3.4 Evaluating impact

How is social impact evaluated? SIA seeks to observe the following kinds of impacts:

Direct impacts: Those impacts that result directly from action or actions undertaken as part of the proposed development (intended or unintended). An example may be displacement of villagers living in close proximity to a proposed dam project, or increased incomes for marginal rural farmers as a result of a produce marketing co-operative initiative.

Indirect impacts: Impacts which take place through a secondary, or intermediary process (again, intended or unintended). An example may be an increase in cases of schistosomiasis (bilharzia) resulting from new irrigation canal construction, or declining school attendance amongst young girls as a result of improved irrigation for market gardening, requiring girls to spend more time at home on vegetable production and processing.

Cumulative impacts: These may be ‘aggregate’ (i.e. the sum of a number of individual impacts together), or ‘synergistic’ (whereby the overall impact is greater than the sum of the individual parts). Given that SIA is dealing with the human dimensions to development, assessing cumulative impacts is notoriously difficult, and full account should be taken of all intermediate variables and possible alternatives when developing cumulative impact scenarios.

Risk assessment is an important part of SIA; risks need to be assessed, and mitigation and management measures suggested, according to whether the risk is ‘external’ (i.e. essentially outside of the scope of the project to influence, such as climatic factors) or ‘internal’, resulting either directly or indirectly from some aspect of the proposed intervention.

Fundamental to the SIA process is a commitment to full participation by affected stakeholders, and vulnerable groups in particular. This should take place at all stages of the SIA, ideally through an established, standing representative body with a clearly defined means of recourse to decision makers. The MRC participation strategy has done much to mainstream the notion of participation in institutional processes, and serves as an important building block for the BDP.⁶

4.3.5 SIA tools and approaches

What are the tools and approaches used to collect information for an SIA? A broad range of SIA tools are available to the practitioner, depending upon time and resource constraints, and the stage at which the SIA is at. Research tools can be classified as direct (engaging participants directly in the exercise) or indirect (relying upon data and information collected by others). Most SIAs adopt a combination of approaches.

- Direct methods: household and institutional surveys; stakeholder analysis; participatory rural appraisal (PRA); focus group discussions; participant observation.

⁶ See *Framework for Stakeholder Participation in the Formulation of the Basin Development Plan*, BDP stakeholder participation working paper 1, June 2003

- Indirect methods: review of census and state data; literature and reports from other organisations; expert opinion.

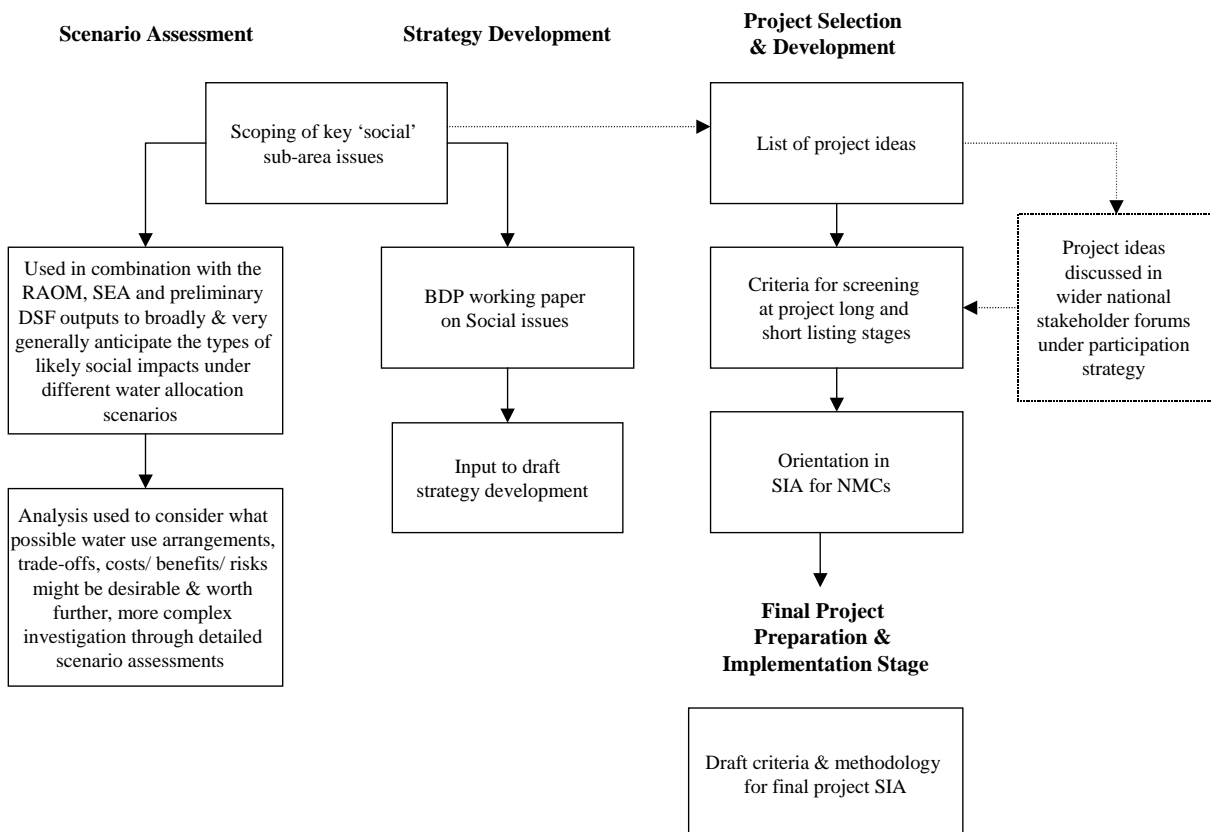
SIA research methods throw up data that is both ‘hard’ and ‘soft’. Hard data is usually quantitative and statistically verifiable. Soft data is usually qualitative in nature. It is often argued that observed phenomena should, as far as possible, be measurable in order to make consistent comparisons, but some phenomena of interest in SIA are also not easily measurable in a conventional sense, such as perceptions of community cohesion amongst affected people. Good SIA practice therefore requires a combination of research methods, tailored to the needs of the SIA at particular times.

Qualitative data and analysis is critical in being able to capture some of the dynamism of processes at work, causal interactions, and in verifying trends thrown up by more static, quantitative data. It is also worth remembering that ultimately, all interpretation is based upon subjective criteria of assessment, i.e. in ascribing ranks to particular statistical occurrences.

4.4 SIA within the BDP process

Social issues are being dealt with in the BDP process along three parallel and interlinked paths: scenario assessment; strategy development; and project selection and implementation. These are shown in Figure 4.1 below.

Figure 4.1: Social Development inputs to BDP workstreams



4.4.1 Scenario assessment

A review of completed sub-area studies has been undertaken, to identify key 'social' issues of importance, with particular regard for issues that are transboundary, or of basin wide significance. Information from this review can be used, together with outputs from the RAOM, Strategic Environmental Assessment (SEA), and preliminary findings from DSF modelling, to anticipate in very broad and general ways, the possible kinds of social impacts that might result under different water allocation scenarios. The results of this analysis can then be used to consider what water use arrangements and trade-offs are desirable, and worth further, more complex modelling and investigation in the future. The social scoping of sub area studies, and the social issues working paper discussed below, are therefore intended to contribute to a multi disciplinary analysis of desirable water uses for the future in the LMB.

4.4.2 Strategy development

The BDP working paper '*Water, Poverty, and Livelihoods in the Lower Mekong Basin*' (January 2005) ⁷ draws upon the emerging sub area information, other useful BDP/ MRC documents, and relevant external sources of information. The working paper is intended to identify key transboundary, basin wide social issues of significance, in relation to water. It is not intended to be a comprehensive compendium of social information about the basin. This work will serve to provide a Social Development input to the strategy formulation process, and provide a concise strategic overview of key issues to help inform the BDP process overall.

4.4.3 Project selection and development

A list of 36 possible project ideas was discussed at the BDP Regional Consultation Meeting in Vientiane, 19-21 July 2004. It was agreed at this meeting that further project ideas would be added, and more information provided for those project ideas already identified. A pro-forma for this purpose has been developed by the BDP team, and includes consideration of Social Development issues. It is hoped that the list of project ideas will also be discussed with broader national and regional audiences, under the BDP participation strategy, in due course.

Social impact screening criteria were developed in April 2004, for use with the project long and short lists. The screening checklists are provided here in Appendix 1. The long list screening checklist is intended to be a relatively 'coarse sieve', as the number of potential projects to assess is likely to be high, and it is anticipated that it will be possible to assess project concepts in a broad manner only. For SIA screening of the project short list, more time may be required to further develop, at least in principle, the project concepts, so that more information can be made available and a more informed assessment can take place. This will be more of a 'fine sieve' exercise. As with the long list SIA screening, the short list screening will seek to assess each project against key Social Development concerns. The SIA screening is designed to consider both the potential level of impact, and the anticipated level of risk associated with each of the proposed activities. It is anticipated that, in combination with other screening tools, the SIA checklists be used to prioritise projects if, for example, a high poverty reduction impact is deemed desirable under the Plan.

It is hoped that the screening checklists will contribute to final project selection in a way that fully and transparently considers Social Development issues.

⁷ Included in BDP Library, Volume 11 (Monographs)

4.4.4 SIA of final selected BDP projects

The pro formas in Appendix 2 provide guidance for a full SIA of the final projects selected for the BDP. It is hoped that the guidance will be useful in helping to formulate project concepts, so that issues of poverty, vulnerability, conflict, gender, participation and minority rights are considered throughout the project formulation process.

The first table provides a framework for the SIA process, describing the nature of the activities and the anticipated impact upon different, identified stakeholder groups. The framework should be treated as an ongoing and adaptive tool, revisited and revised throughout the project planning and implementation process. The second table in Appendix 2 provides a checklist of key issues to consider throughout the project. Although detailed information may not be available to address every category at the beginning of the project, the checklist should be referenced in designing data and information to be collected under a monitoring and evaluation plan, and should be a key tool used in detailed project design.

The final box of the checklist contains the methodological steps required in undertaking a detailed SIA. These can be more clearly defined once the nature of the projects becomes apparent, and are included here only as an indicative guide.

8 Issues and priorities

Strategic environmental assessment (SEA)

- The concept of, and process for, SEA is similar to that of project-level Environmental Impact Assessment (EIA) for which all the LMB countries have national legislation. SEA is however applied to higher levels of planning (such as development plans), with the aim of ensuring that environmental concerns are taken into account in the design and execution of the plan
- Cumulative effects are a main concern in river basin planning, and are a particular issue in the Lower Mekong Basin. They are difficult to identify, quantify and mitigate, because they can fall 'below the radar' of many MRC activities and are not clearly covered by the (mainly basinwide and transboundary) scope of the BDP

Social Development and social impact assessment (SIA)

- In the Lower Mekong Basin, many livelihoods, including most rural and traditional livelihoods, are water-dependent. Even in an era of rapid technological development and economic structural change, this state of affairs will remain so for decades, and mainstreaming of social aspects into regional water resources management will remain important for many years to come
- Poverty is understood, and analysed, as a multi dimensional condition beyond simply lacking cash income. It is understood as a condition of deprivation in key assets important to sustaining a livelihood. This may include customary rights to communal lands, rivers and forests for subsistence; access to health and education services; relationships of exploitation; the ability to preserve a traditional way of life; as well as the means to earn an income, barter or exchange goods. Protection from vulnerability is also a key dimension to poverty; a person or groups ability to withstand periodic shocks, which may move them frequently back into a state of deprivation and uncertainty

- In consequence, Social Development must take place as a multi-modal process, where access to water remains one among several other aspects, all of which must be managed in parallel. Other closely related development issues, the benefits of which depend on each other, include from case to case education; social welfare; access to markets and marketing support; access to new technology; supportive land ownership; management of natural resources and the environment; and a functional physical infrastructure

9 Solutions

The studies provide recommendations on how to incorporate environmental and social goals and criteria in the BDP process. These recommendations have been observed during the strategy formulation, as reported in June 2005 (MRC-BDP June 05), and in the related process for identification, screening, shortlisting and promotion of priority development initiatives in support of the strategy, as reported in May 2005 (MRC-BDP May 05a&b).

10 Findings and recommendations/ lessons learnt

Most of the lessons have been learnt after completion of the studies, namely in connection with implementation of their recommendations.

This process is still in progress (by late 2005). At the present stage, it is believed that

- practical modalities have been developed for project screening, including a fairly reliable initial impact identification at pre-feasibility level, covering social and environmental effects, including cumulative effects;
- strategic environmental assessment is still in a stage of early consolidation, both at strategy level and at the shortlist level;
- while the environmental assessment tools and routines were largely oriented towards consumptive (off-stream) water uses, indications are that a number of the priority development initiatives identified initially do not represent significant off-stream water consumption. This does not mean that the routines and tools are not relevant - on the contrary - but it is mentioned as a main reason why they have not yet been applied to their full potential in this respect;
- while the processes - which were developed separately - have become fully streamlined and consistent, a scope remains for full integration of the strategic environmental and social impact screening.

11 Relevance

11.1 Relevance for NMCs and/or line agencies

First, the studies have provided a platform for dialogue about the development of agreed, useful, practical and transparent modalities for SEA and SIA in connection with the BDP process.

Second, they have communicated some thoughts and suggestions that may, in the course of time, qualify for consideration in connection with development of national strategies, assessment criteria, and assessment routines.

11.2 Relevance for MRCS and/or BDP Phase 2

In the course of time, the BDP will serve as a shared identification, coordination and promotion platform for the large majority of new MRC projects and programmes.

This is mentioned in the new (2006-2010) MRC Strategic Plan: ⁸

'Programming of MRC's projects will be based on the BDP planning process of identification, categorization and prioritization. Depending on their nature, either basin-wide, trans-boundary, or national projects, these categories will help establish informal guidelines for how implementation of a project should proceed. Those of relevance to the MRC will be implemented directly by MRC within its work programme. Other projects will be implemented by line agencies and partner organizations including bilaterally funded projects, with some support of MRC, (coordination, pre-feasibility studies, promotion, evaluation, project supervision, etc.). The level and nature of support depend on the value-added that MRC may offer!'

Accordingly, the SEA and SIA outlines (as reflected during subsequent activities) will remain highly relevant for MRCS and during BDP Phase 2.

12 Concluding general outlook

The analyses presented in this report have provide an important basis for the IWRM Strategy formulation and the subsequent project identification, screening and shortlisting.

Towards the end of BDP Phase 1, an important insight has been achieved about the related practicalities and policy issues.

In parallel, the new MRC Strategic Plan (2006-2010) has been developed, with the following aims:

- a. *More tangible results focusing on poverty reduction through sustainable development*
- b. *Creating ownership and added value*
- c. *Adopting IWRM*

Continuation of the BDP process, in accordance with these principles, will contribute to well-informed, timely and appropriate strategic directions and operational guidance at all water management levels, in support of the MRC vision of *'an economically prosperous, socially just and environmentally sound Mekong River Basin'*.

⁸ MRC (Oct 05), p. 29

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- MRC-BDP (May 05b): Project screening toolkit
- MRC-BDP (June 05): Strategic directions for Integrated Water Resources Management in the Lower Mekong Basin. 14 June 2005.

Appendix 1: SIA screening checklist for BDP projects

Table A1.1: Social Impact Assessment checklist for long listed and shortlisted BDP projects ⁹

A	Poverty	High (1)	Medium (2)	Low (3)	Notes:
A1	Overall Anticipated Poverty Reduction Impact of the Proposed Project				
A2	Overall Level of Risk of Adverse Poverty Impact Resulting from the Project				
		Yes	No	Insufficient information available at this time	Comments
A1.1	Does the project concept include an overall objective of reducing poverty?				
A1.2	Are poverty reduction measures included in the proposed project?				
A1.3	Have project target groups been defined?				
A2.1	Are possible risks of increased poverty resulting from the project identified?				
A2.2	Are possible at risk groups identified?				
A2.3	Are poverty risk mitigation measures identified?				
B	Vulnerability	High (1)	Medium (2)	Low (3)	Notes:
B1	Overall Anticipated Reduction in Vulnerability Resulting from the Proposed Project				
B2	Overall Level of Risk of Increased Vulnerability Resulting from the Project				
		Yes	No	Insufficient information available at this time	Comments:
B1.1	Has the project considered livelihood vulnerability in concept design?				
B1.2	Have target vulnerable groups been identified as beneficiaries from the proposed project?				

⁹ Questions A1/ A2, B1/ B2 etc. are for consideration at both long and shortlisting stages, the more detailed questions (A1.1, A1.2 etc) are for shortlisted projects only.

A Poverty		High (1)	Medium (2)	Low (3)	Notes:
B1.3	Are specific project measures proposed for reducing vulnerability?				
B2.1	Are there potential groups at risk of increased vulnerability under the project?				
B2.2	Have vulnerability risk mitigation and management measures been identified?				
C Conflict		High (1)	Medium (2)	Low (3)	Notes:
C1	Overall Anticipated Reduction in Conflict Potential Resulting from the Proposed Project				
C2	Overall Level of Risk of Increased Potential for Conflict Resulting from the Project				
		Yes	No	Insufficient information available at this time	Comments:
C1.1	Is there a core conflict reduction rationale to the proposed project?				
C1.2	Have target groups been considered from a conflict perspective?				
C1.3	Will the proposed project reduce conflicts, or the potential for conflict?				
C2.1	Is there a risk of project measures increasing conflict, or the potential for conflict amongst groups?				
C2.2	Have conflict risk reduction and management measures been identified?				
D Gender		High (1)	Medium (2)	Low (3)	Notes:
D1	Overall Anticipated Impact In Transforming Gender Relations				
D2	Overall Level of Risk of Project Contributing to Increased Gender Inequality				
		Yes	No	Insufficient information available at this time	Comments:
D1.1	Has the proposed project concept considered the issue of gender relations?				
D1.2	Have gender disaggregated target groups been identified?				
D1.3	Will the proposed project specifically address existing gender relations of inequality in any way?				
D2.1	Are there risks of the proposed project increasing gender inequalities?				
D2.2	Have risk mitigation and management measures for possible increased gender inequality been identified?				

A	Poverty	High (1)	Medium (2)	Low (3)	Notes:
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E	Ethnicity, Minorities and Cultural Rights	High (1)	Medium (2)	Low (3)	Notes:
E1	Overall Anticipated Impact In Safeguarding/ Promoting Cultural Rights and Traditional Livelihoods of Minorities				
E2	Overall Level of Risk of Project Adversely Affecting Minorities' Livelihoods and Curtailling Cultural Rights				
		Yes	No	Insufficient information available at this time	Comments:
E1.1	Have ethnic minority groups been identified as a significant stakeholder in the proposed project?				
E1.2	Has an assessment been made of the likely impact upon minorities existing livelihoods under the project?				
E1.3	Is the proposed project likely to safeguard existing cultural rights, traditions and decision making around natural resources?				
E1.4	Is the proposed project likely to promote and enhance cultural rights, traditions and decision making around natural resources?				
E2.1	Is there a risk that the proposed project may curtail access and access rights of minorities and others to culturally significant resources, and resources important to livelihoods?				
E2.2	Have risk mitigation/ management measures been identified?				

F	Participation	High (1)	Medium (2)	Low (3)	Notes:
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F1	What Level of (Public and other) Participation is Envisaged for all Stages of Project Development?				
F2	What is the Overall Level of Risk That the Project Will Not Develop a Fully Participatory Process?				
		Yes	No	Insufficient information available at this time	Comments:
F1.1	Does the proposed project have a participation strategy?				
F1.2	Does the project participation strategy cover all stages of the proposed project (feasibility to completion and post project review)?				
F1.3	Has a stakeholder analysis been conducted?				

A	Poverty	High (1)	Medium (2)	Low (3)	Notes:
F1.4	Have particular mechanisms and institutions been identified for involving as fully as possible key poverty/ vulnerable groups likely to be affected by the project? (including women and minority group representatives)				
F2.1	Does the project face significant risks in engaging in a fully participatory project process?				
F2.2	Have risk mitigation/ management measures been identified to address these risks?				

Appendix 2: SIA framework & checklist for selected BDP projects

Table A2.1: Draft SIA framework for BDP projects

Summary Description of the proposed activity:		Nature of the activity: (What will be undertaken, what will the project inputs and outputs be, and over what period of time will activities take place)			
		Rationale: (What is the overall objective of the activity? What overall social impacts from the project are anticipated)			
		Statement of risks: (What overall risks have been identified to successfully meeting the project objectives? Are there any significant risks that may have an adverse social impact in any way?)			
Stakeholder group	Interest	Influence (capacities and vulnerabilities)	Anticipated impact (direct and indirect)	Possible cumulative and unanticipated impacts	Proposed risk mitigation & management measures
Proposed project monitoring & evaluation measures:	Activity	Indicator	Frequency of collection	Reporting mechanism	Responsibility for action

Table A2.2: Draft project level SIA checklist

Checklist of issues to cover and key questions for project level SIA

General:

What will the net measurable effect of the project be upon livelihoods and income in the region?
Are there intangible (non-quantifiable) effects that are anticipated? What are they?

Poverty:

Who is the project intended to benefit, either:
Directly?
Indirectly?
Is the activity intended to reduce poverty?
In what ways?
For whom?
Will any groups be adversely affected?
How will the poverty reduction impact be measured?
Against what criteria/ dimensions of poverty?
Over what period of time?

Vulnerability:

How was/ is vulnerability understood in the project formulation process?
Which groups identified are considered particularly vulnerable through project activities? (with particular reference to single female headed households, the young and aged, households with a high care ratio, refugee and resettled households and communities) And in what ways?
What management and mitigation measures are in place to reduce the risk of increased vulnerability?
What barriers have been identified to vulnerable groups enjoying project benefits?
How will these barriers be addressed under the project?

Conflict:

Is the project situated in an identified conflict prone area?
Is conflict reduction or mitigation a project objective?
What are the latent conflict issues in the project area, and will they be reduced or exacerbated by project activities? (including potential conflict with the state)
What are the 'potential for conflict' triggers?
What conflict risk management measures are in place for the project?

Gender:

Is the project activity specifically targeted at one gender group?
Are their either positive or negative impacts anticipated for women? What are they, and what groups of women will be affected? (i.e. older women, young married women living in an extended household group, young girls, women heads of household where male family members working away)
Will the activity transform in any way existing gender relations? In what ways?

Ethnicity, minorities and cultural rights:

What is the ethnic composition of the affected population?

Are there significant minority groups included under the proposed project?

What is the nature of minority group relationships to the resources under review (i.e. what cultural significance is attached to the use of water, in rituals, traditions, heritage etc.)?

Is the proposed project likely to change in any way the relationship of ethnic groups to the natural resources affected by the project?

Is the proposed project likely to reduce, or enhance access to natural resources for ethnic groups?

Is the project likely to change significantly ethnic groups authority in decision making over natural resource use?

What mitigation and risk management measures are proposed to protect the integrity of group's cultural heritage and rights within the project?

Through what minority group bodies is the project dealing with, and is this body representative?

Participation:

Have target and affected groups taken part in the project formulation process? In what ways?

Is there a mechanism in place for stakeholder participation and review?

Is it a standing or ad hoc body?

How was the representative body constituted?

What is the balance of representation (community representatives, NGO's, Govt, business, others)?

Are women, minorities and other potentially vulnerable groups adequately represented?

With whom in the project implementation staff do stakeholders interact?

What is the mechanism for redress of grievances?

Methodological steps in overall project SIA process

Review of outputs of: issue scoping (SEA level 1), scenario development and project long listing (SEA level 2)

Review of key data and literature

Detailed stakeholder analysis

Participatory rapid assessment (including poverty assessment, and potential for conflict assessment)

Establishment of participatory project mechanism (for stakeholder inclusion)

Baseline survey

Input to detailed project design

Periodic Impact monitoring through:

Benchmark surveys

Participatory review

Final Social Impact Assessment review upon project completion
