
Decision-Making Framework for Large Dams in China

Dr Oliver Hensengerth
The Royal Institute of International Affairs
Chatham House
London

and University of Essex

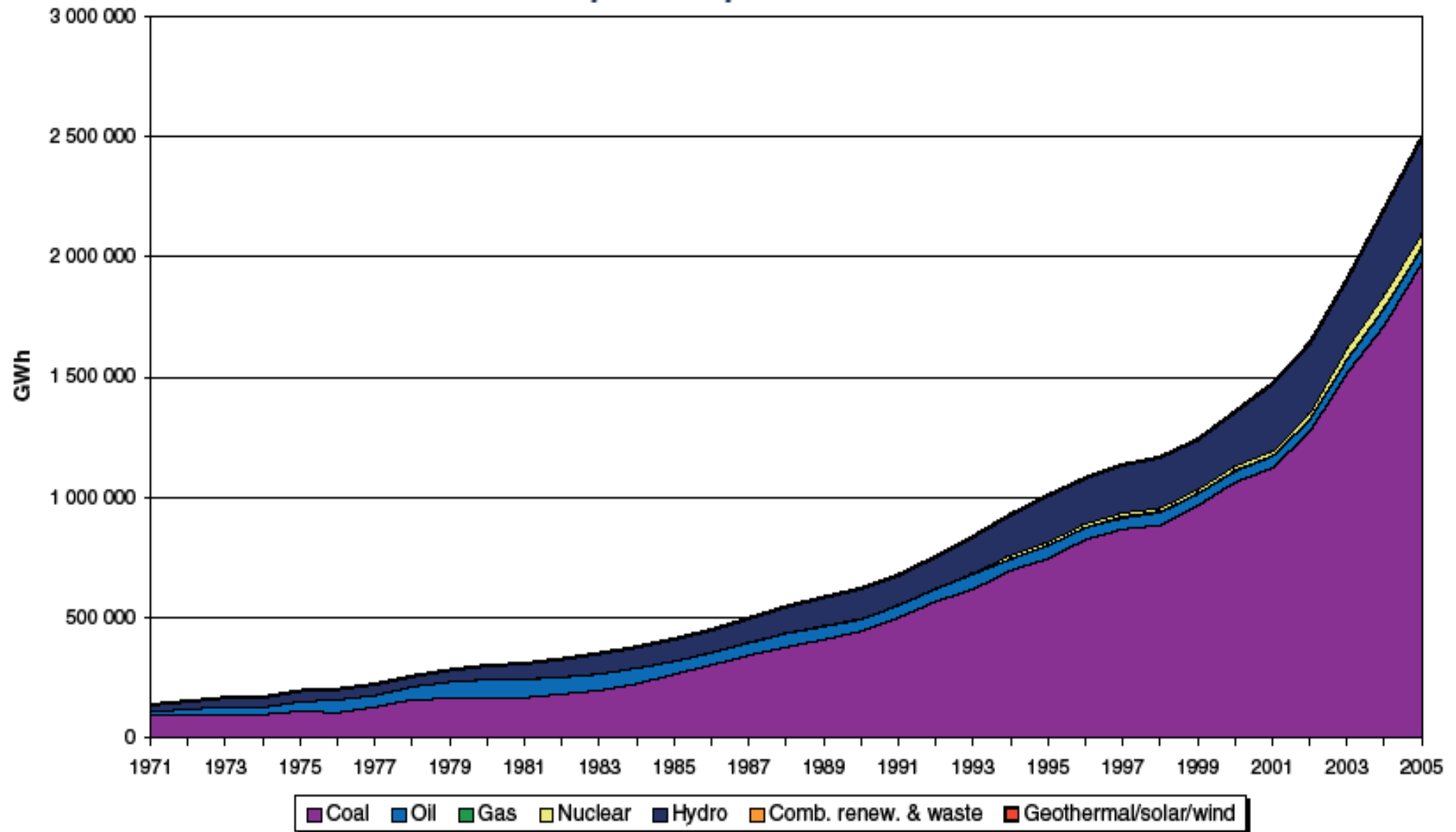
Strategic Relevance of Hydropower in China

- 1) Opening Up the West + West-to-East Energy Transfer + reduce southern China's coal reliance (from VN and northern China)
- 2) 2006 Renewable Energy Law
- 3) Self-reliance in energy production (self-sufficiency in coal only)



Evolution of Electricity Generation by Fuel from 1971 to 2005

People's Republic of China



Strategic Relevance of Hydropower in China

- 2004: 238 billion kWh from hydroelectric stations = 15.8 percent of total electricity generation (EIA, 2006)
- Yunnan: hydropower potential of 90 million kilowatts, or 23.3 percent of China's total hydropower potential (*People's Daily*, 2000)
- National Development and Reform Commission: increase hydropower capacity to 300,000 MW by the end of 2020, from around 129,000 MW at the end of 2006 (Stanway, 2007b)
- As of 2007, installed capacity of hydropower was 145 GW



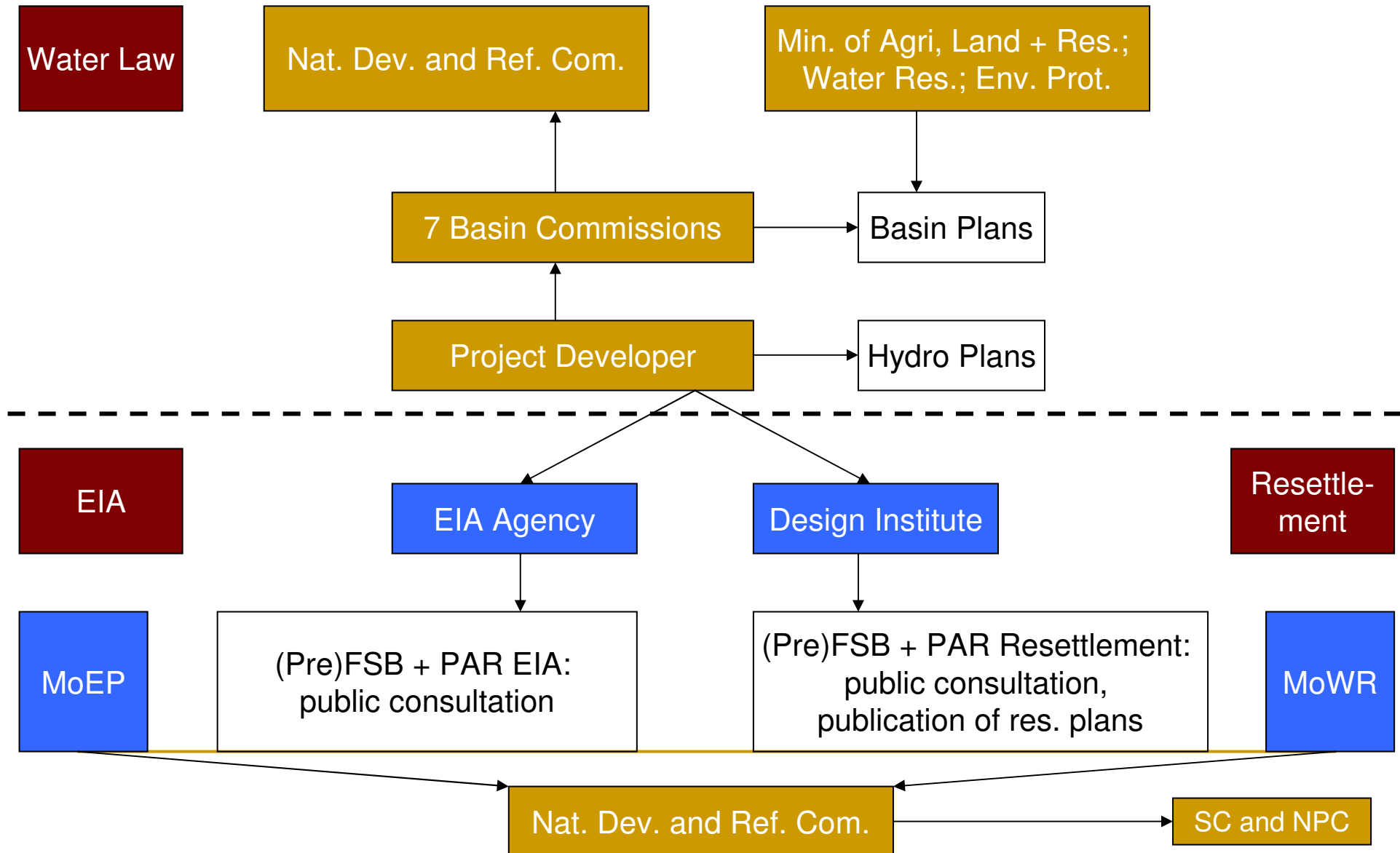
Xiaolangdi

Nu River Cascade

0 500Km

Copyright © 2007 Compare Infobase Limited

Hydropower Development: Where does Participation Come In?



Civil Society: Enlarged Scope of Action?

- 1998: 2 administrative regulations on registration
- 2008: 2 regulations on information disclosure (in general and in EIA)

Why?

- Improve the efficiency of investment in rural development and poverty reduction (Plummer and Taylor, 2004: 37)
 - Generate regime legitimacy (Schucher, 2009)
 - Make up for the weakness of local Environmental Protection Bureaus (Economy, 2004: 21 and 129-175)
-

Issue 1: Resettlement

- 2004 Land Administration Law, Ch. 5
 - Expropriation carried out by local governments according to the
 - local land use plans
 - social and national development plans of the National Development and Reform Commission

 - 4 compensation types:
 - land compensation
 - resettlement allowance
 - compensation payments for ground attachments and young crops
 - in suburban areas vegetable field development

Resettlement

1979: overhaul of “Maoist” development programme; new basis for legitimacy

- 1981: reservoir maintenance fund: RMB0.001 per kWh: cash compensation, infrastructure (drinking water, transportation)

1984: survey of people resettled before 1980 (10mln)

- 1986: reservoir construction fund: RMB0,004 per kWh = RMB240mln per year for people resettled before 1985
 - 1986: Land Law adds resettlement rules
 - 1986: MoWR resettlement office + coordinating committee: MoFinance, Agri, Power
 - 1991: Rules of Land Compensation and People Resettlement in Medium and Large Hydroelectric Projects: post-relocation support and income generation (5-10 years)

 - 1996: post-relocation support fund for projects in service and approved 1985-1995: RMB0.005 per kWh
 - 1998: ADB TA: revision of Land Law: more transparency and compensation
 - 2002: State Council emphasises employment generation
 - 2004: ADB TA: revision of Land Law: “requisition” replaced by “expropriation”

 - Xiaolangdi: separate resettlement component (World Bank regulation)
-

Resettlement

- 2006 Rules of Land Compensation and People Resettlement in Medium and Large Hydraulic and Hydroelectric Projects
 - monitoring and evaluation
 - through World Bank and ADB financed projects. Before, M&E applied only to Three Gorges and ADB/WB projects (Chen, Shi, Zhu and Xu, 2004)
 - level of livelihood similar or greater
 - resettlement plans to include economic development plans, not just cash payments
 - ... create jobs
 - ... include plans for reclaiming new farmland to avoid overcrowding resettlement areas (Brewer, 2008: 19)
 - post-relocation support fund: RMB600 per year for 20 years

Issue 2: Environment Impact Assessment

- 1986: ministerial decree modelled on US National Environmental Policy Act
- 1996: State Council regulation
- 2003: EIA Law
 - EIAs for plan and projects
 - Public participation: hearings, meetings, other means (e.g. surveys, questionnaires)
 - Suspension of Nu River cascade (from 13 to 4)
- 2006: Provisional Measures for Public Participation in EIA
 - Yuanmingyuan lake
 - Hanyuan Baopu hydro project
 - Haicang PX chemicals
 - Nu River cascade

Hypothesis 2: Social Mobilisation

- Environment-related unrest: e.g. Haicang PX chemical
- Resettlement-related unrest: e.g. Hanyuan riots
- Ability to spontaneously organise (Internet, mobile phones)

- Nu River cascade 2003:
 - Increased media attention

 - Networks NGOs/policy entrepreneurs-media-politicians

 - Forced developer Huadian Corporation to go through EIA process (Law just passed)

=> strengthening of participation regulations

Hypothesis 1: Embeddedness in International Institutions

- Dialogue with EU to enhance participation regulation:
 - Aarhus Convention: United Nations Economic Commission for Europe (UNECE) *Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters*
 - Special directives such as the chemicals directive REACH as a model for China's chemicals directive
- US: 1986 EIA regulation modelled on US National Environmental Policy Act
- China part of IHA Hydropower Sustainability Assessment Forum: outcome ?
- EU-China Basin Development Programme: outcome ?

Hypothesis 3: Foreign Technical Expertise

- 1996: ADB TA 2735-PRC *Capacity Building for Natural Resource Legislation* => 1998 revision of Land Law:
 - increase of compensation
 - paid to people directly rather than the rural econ. collective
 - enhanced local consultations, local govts. to publicise resettlement plans (transparency), formal dispute resolution (file lawsuit within 30 days)

- Xiaolangdi: separate resettlement component

- 2000: ADB RETA 5935
 - 2004 revision of Constitution: distinction between “expropriation” and “requisition” to counter illegal expropriation, with different levels of compensation
 - Then revision of Land Law: “requisition” replaced by “expropriation”

Hypothesis 3: Foreign Technical Expertise

Expropriation

- state appropriation of collective land for national projects (such as roads, railways and bridges)
- land ownership is transferred to the state

Requisition

- temporary, compulsory lease of collective land to the state in case of emergency
- no transfer of ownership as property rights are returned once the lease expires

(ADB, 2007: 1; Ho, 2005: 26note34)

Thank you for your forbearance.