

Environmental and Social Impact Assessment and Strategic Environmental and Social Assessment at the World Bank

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The World Bank “Safeguard Policies”

■ OP/BP 4.01: Umbrella policy on Environmental and Social Impact Assessment

Environmental Policies

- OP 4.04 Natural Habitats
- OP 4.09 Pest Management
- OP 4.11 Physical Cultural Resources
- OP 4.36 Forests
- OP 4.37 Safety of Dams

Social Policies

- OP 4.12 Involuntary Resettlement
- OP 4.10 Indigenous Peoples

Legal Policies

- OP 7.50 International Waterways
- OP 7.60 Disputed Areas

Access to Information Policy

Transboundary Context

- **OP 4.01:**
 - “EA takes into account the natural environment... human health and safety...social aspects...and transboundary and global environmental aspects”
 - “Borrower consults project-affected groups and local (NGOs) about the project’s environmental aspects and takes their views into account...” [including affected groups in other countries in case of projects with transboundary elements or impacts]
 - “EA considers...obligations of the country pertaining to project activities, under relevant international environmental treaties and agreements...WB does not finance project activities that would contravene such country obligations”

- **OP 7.50:** For any project on an international waterway...”the Bank requires that the beneficiary state (Borrower) formally notify the other riparians of the proposed project and its project details”

Strategic Environmental (and Social) Assessment

■ OP 4.01:

- **Sectoral and Regional EA:** “When the project is likely to have sectoral or regional impacts, sectoral or regional EA is required.”
- **(March 2011 Clarification from the Board):** Addition of Strategic Environmental and Social Assessment (SESA) to the List of Instruments Available Under OP 4.01.

SESA Defined as: “ An instrument that describes analytical and participatory approaches that aim to integrate environmental and social considerations into policies, plans and programs and evaluate their inter linkages with economic considerations.”

- **OP 8.60 (Development Policy Lending):** acknowledges the need for upstream analysis of environmental and social conditions and risks...mentions SEA and Country Environmental Analysis as tools to carry out such analysis

Approaches to SEA in WB Portfolio

Impact-Centered SEA

- Originate from/extension of ESIA (from project level to plan or program level)
- Often sectoral or regional focus...e.g. energy, transport, water development programs; land use, regional development and river basin management plans
- Include analysis of cumulative impacts of multiple activities
- Facilitate screening, priority-setting and analysis of alternatives at planning/strategic level

Policy/Institutional Centered SEA

- Provide upstream analysis to inform policy reform and development strategies
- Facilitate dialogue, negotiation and agreements among multiple stakeholders, supported by strong analytics
- Analyze institutional frameworks and systems for environmental management and governance; capacity- building measures
- Approach and influence depends on the policy-making environment

Hybrid (Impact- and Policy-Centered SEA)

Examples: strategic river basin management; REDD+ Readiness; development corridors

Observations from WB Experience with SEA*

- **Grassroots stakeholder engagement is essential, but can be hard to mobilize (agenda too broad; impacts too indirect, intangible)**
- **SEA numbers increase with grant resources (e.g. SEA pilot program)**
- **SEA raises awareness about environmental issues within government institutions, but the extent to which this translates to institutional capacity building varies**
- **Climate Change issues are stimulating increased interest in SEA, as it clearly calls for planning at strategic level, with environmental and social factors at the center of most potential issues**
- **Making SEA obligatory (EU Directive/Espoo Conv., national law, IFI requirement) can increase its use but may undermine ownership and influence**
- **WB support for SEA is most effective in the context of long-term engagement providing resources and leverage for following up on recommendations**

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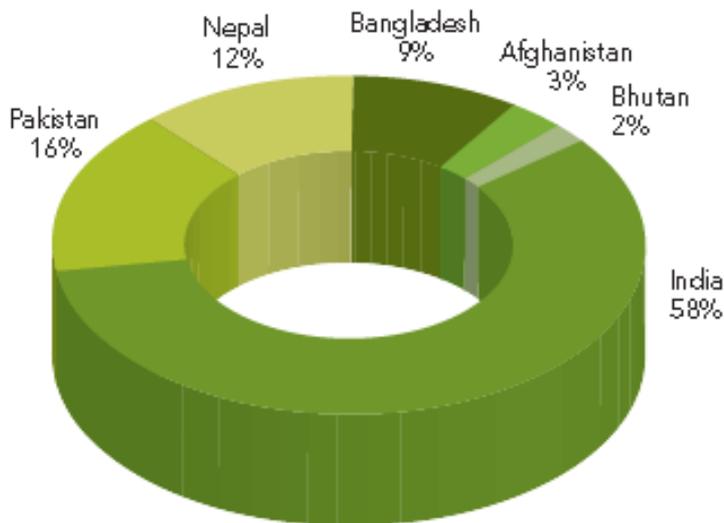
WB and SEA in East Asia and Pacific

- **2005: multiyear program: “Developing Practice and Capacity of Strategic Environmental Analysis in East Asia and Pacific Region.”**
Aim = mainstream environment into sectoral, national, regional development policies, programs, plans by applying SEA to WB-financed operations, knowledge sharing, capacity building
- **Emphasis on impact-centered SEA for large scale infrastructure including those with transboundary elements and impacts; prioritization and screening of potential projects in sectoral programs**
- **Mixed results in using SEA approach to help predict cumulative and induced impacts**
- **Some policy-centered SEA**
- **Timing is important factor in influence of impact-centered SEA; less important for policy-centered SEA (development of programs and projects is time-bound; policy-making is an ongoing process).**

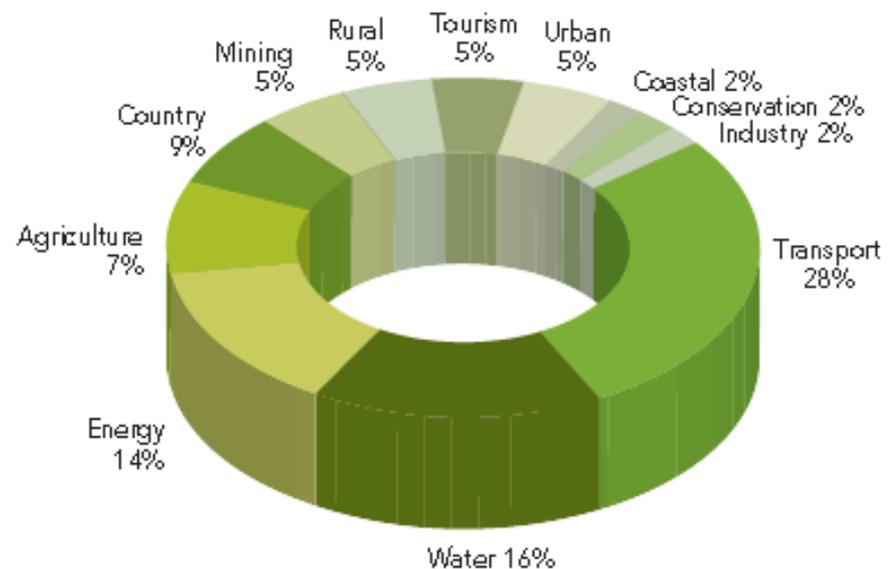
WB and SEA in South Asia

- Many impact-centered SEA to comply with national EIA laws and IFI requirements

Proportion of SEAs in SAR by Country



Proportion of SEAs in SAR by Sector



Source: Strategic Environmental Assessment in the World Bank: Learning from Recent Experiences and Challenges. F. Loayza, Ed. World Bank, 2012

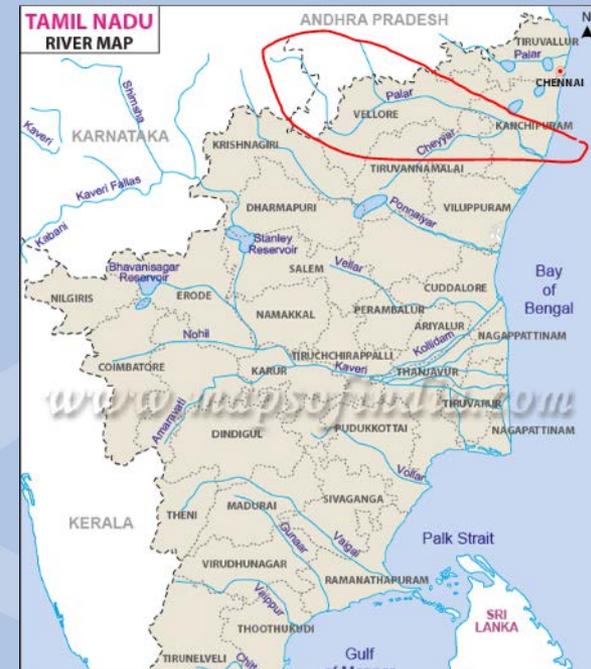
WB and SEA in South Asia

- **Bhutan was first to have SEA legislation (effective 2002)**
- **Growing Interest in use of SEA to help develop strategies for managing Climate Change, Integrated Water Resource Management**
- **Post 2004 trend of evolution from impact-centered towards more policy-centered SEA. Likely due to:**
 - **WB Policy 8.60 (Development Policy Lending) approved with requirement for environmental and social analysis**
 - **2005 WB SEA Pilot Program (grants and specialized assistance)**
- **Strategic Basin Assessment: hybrid of impact-centered and policy-centered SEA**

ILLUSTRATIVE EXAMPLES



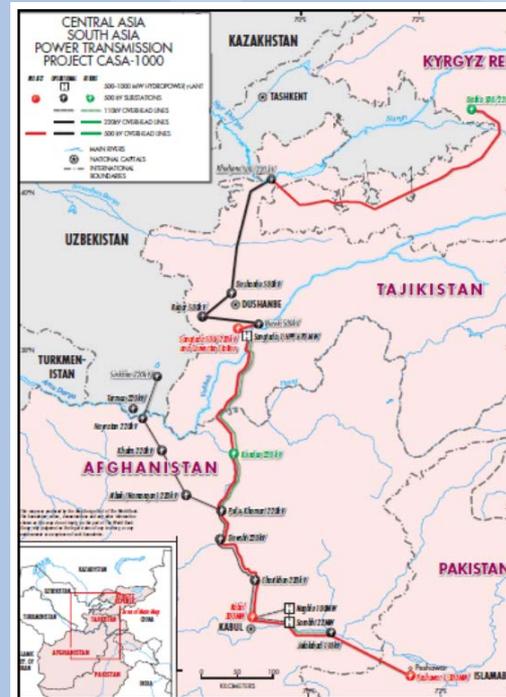
**India (Tamil Nadu)
Palar River Basin**



Lao PDR: Nam Theun 2



Nepal Arun III HPP



**Central Asia
South Asia
Electricity
Transmission
and Trade
Project
(Tajikistan,
Kyrgyz Rep.,
Afghanistan,
Pakistan)**

Lao PDR: Nam Theun 2 Hydroelectric Project

Objective: Hydropower generation; sale of electricity to Thailand

Undertaken in the context of the Project-level EIA:

- **Strategic Impact Assessment:** Objective: assess sector-wide implications of 22 HP developments planned over 20 year period (to 2022)
- **Cumulative Impact Assessment:** Objective: assess impacts of the NT2 project along with potential impacts of other existing and planned developments in NT2 project area and **Greater Mekong subregion** (especially NT1 and NT3) at 5-year and 20-year horizon

Stakeholder Consultation/Participation Process: 400 meetings during 10 year assessment process, including all villagers to be relocated, local government authorities, and Lao-based NGOs; Rounds of international consultations in Japan, Thailand, France, and the United States.

Outcomes: created open dialogue among stakeholders; contributed to adoption of National Policy on Env & Social sustainability for the Hydropower sector; creation of Watershed Management & Protection Authority for NT2; improved understanding of riparian risks of international river system of Mekong

Lessons: process identified as non-mandatory and results as advisory rather than obligatory: increased government's ability to accept both

NEPAL MEDIUM HYDROPOWER SEA

- **Trigger:** Controversy over proposed Arun III Hydropower Project, for domestic power and export to India (project withdrawn by WB; now seeking private investment)
- **Objective:** Integrate environmental and social considerations into Nepal's power sector planning, by screening and ranking all potential HP projects between 10-300 MW, within context of a Sectoral EA (financed by WB Power Sector Efficiency Project)
- **Process:**
 - 2 stage review of techno-economic and environmental/social parameters of potential projects and sites;
 - Open information sharing and consultation involving government, professional community, NGOs, general public
- **Results:**
 - progressive narrowing from 138 feasible projects to 7 “highest acceptability” projects to proceed to feasibility study stage
 - Contribute to new Hydropower Policy (criteria for promoting private sector HP development)
 - Recommended energy demand management through phasing out subsidies

Strategic Basin Assessment for Palar Basin Water Resource Planning (Tamil Nadu State)

- **Palar River:** runs for only a few days a year, during monsoon season
- **Pilot SEA objective:** set a common framework for handling critical water resource issues in Palar Basin (water availability, water quality, sand mining, surface/ground water connectivity)
- **Process:**
 - **First Phase:** scoping, capacity building, issue identification, formation of vision and guiding principles
 - **Second Phase:** development of Action Plan to address key issues
- **Results:** additional funding for agriculture/water management; industry upgrades; improved water regulation; new sand mining regulations; SEA pilot replicated in 63 other TN sub-basins through follow-up project
- **Lessons:** key stakeholders (including local government) must have ownership so they play catalytic role; need for early tangible outcomes to engage stakeholders; stakeholder participation more effective at local/sub-basin level than larger scale basin-wide level

Central Asia-South Asia

Electricity Transmission and Trade Project (CASA 1000)

- To support sustainable electricity trade from Tajikistan and Kyrgyz Republic to Afghanistan and Pakistan. Components:
 - High Voltage power transmission infrastructure, including 1300 km transmission Overhead Transmission Line (OTL), carrying available excess electricity from existing hydropower generation in T and KR, to meet summer demand in A and P;
 - Technical Assistance for project implementation and supervision;
 - Community Support Programs in each country to help create supportive environment for project implementation (funding to continue through benefit sharing during operational phase)
- EIA Approach:
 - **(SEA) Regional Environmental Assessment of OTL Corridor**, covering 4 countries; Resettlement Policy Framework for each country (completed)
 - **Project-wide Avian Risk Assessment** to evaluate risk for migratory birds and Important Bird Areas (completed)
 - **Country-specific ESIA**s, Environmental and Social Management Plans, Resettlement Action Plans (based on REA and RPFs); to be done in conjunction with final technical design)
- Consultations:
 - REA disclosed and consultations held in all 4 countries (capital cities and regional centers); publicly available project website and WB Infoshop;
 - Local consultations on RPF, Community Program, and in future on ESIA
s, RAPs

An aerial photograph of a wide, winding river flowing through a mountainous landscape. The river meanders through deep valleys and around hills, creating a complex, looping path. The terrain is rugged, with various shades of brown, green, and grey. In the background, more mountain ranges are visible under a cloudy sky. The overall scene conveys a sense of a long, winding journey through a natural, mountainous environment.

CONCLUDING THOUGHTS...

**...on the winding path
to a (more effective)
SEA**

**An “upstream”
(above project level)
impact assessment**

**An assessment
of systems and
capacity for
managing
environmental
and social
impacts**

SEA

**A source of facts
and informed
predictions to
guide decisions**

**A multi-
stakeholder
consensus-
building process**

SEA aims to bring concrete data and analysis on environmental and social issues into the decision-making process



This can mean policy and regulatory decisions, but policies and laws can sometimes be ignored or circumvented



SEA (particularly policy-centered SEA) can be most influential when carried out by choice rather than by decree



Key is to inform and educate and build consensus around the value that SEA brings

THANK YOU FOR YOUR ATTENTION

