Lost in Time: the black hole between ESIA and project commencement

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What happens after the ESIA?

- Authority review and approval
- Bank categorisation, appraisal and loan approval
- Transition period
- ESMP implementation and compliance monitoring
Typical processes & failings

- Categorisation
  - Project appraisal
  - Loan agreement
  - Compliance audits
  - Project completion report

- Pre-feasibility
  - Feasibility
  - Tenders
  - Construction
  - ESMP implementation
  - ESMP/EMS?

- Project conception
  - Screening
  - Scoping
  - ESIA/ESMP

- On basis of social sensitivity, vulnerability and risk?
  - Uncritical, promotes benefits
  - Mitigation conflations
  - Lack of critical evaluation of HR, social track record
  - Expenditure vs budget? Social/health KPIs and loan conditions?
  - Monitoring of results? Effectiveness?

- Inadequate id of disadvantaged and VGs
  - Inadequate description and IA of social, gender and health issues
  - ESMP not included

- On basis of social sensitivity, vulnerability and risk?
  - Inadequate description and IA of social, gender and health issues

- Inadequate description and IA of social, gender and health issues


TIME
### Timelines

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**DFI Mission Report**

**ESIA and ESMP preparation**

**DFI Summary Report**

**DFI Project Appraisal Report**

**Construction**

**Time: ESIA completion to construction**

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Average elapsed time from ESIA completion to *start* of construction: **4 years**

Average elapsed time from ESIA completion to *end* of road construction: **7 years**
Transition Phase: ESIA completion to start of construction

- Baseline conditions change – especially social and health
  - Due to natural demographic processes (influx, pop growth)
  - Impact of other development projects
- Staff movements (loss of institutional knowledge):
  - Environmental authority
  - Other relevant ministries
  - Bank/DFI staff
  - Consultants
- Bank/DFI operational safeguard systems change
- National laws and policies change
- International targets for health and social development issues change
- Project scope changes (always!)
Lost in time

- ESIA and ESMPs are out of date
  - Old data
  - Climate change, increased vulnerability
  - Old laws and policies
  - New social and health dynamics not predicted
  - Based on a project scope that may have changed
  - Based on old safeguard systems and policies
- RAP is out of date and thus estimates of compensation are inadequate
- Cost estimates for mitigation measures are out of date
- But, loan agreement based on original ESIA and ESMP....
- We are implementing projects which bear little resemblance to the ESIA/ESMP!
Failures in follow up: Compliance monitoring systems

- **Environmental authorities**
  - Short staffed and under-resourced so very little monitoring conducted
    - Rely on fact that ESMP will be implemented correctly
  - No penalties imposed for non-compliance

- **Implementing agency (line ministry)**
  - Short-staffed and under-resourced so full-time officers (technical and E&S) not assigned to projects

- **Other government authorities, departments, agencies**
  - MoH?
  - NAC?
  - Local government?
  - Ministry of Labour, OHS?
  - Who makes sure that project benefits are enhanced?
Failures in follow up: Compliance monitoring systems

• **Resident Engineer’s team**
  • Supposed to be a full-time E&S officer to oversee implementation of ESMP by contractor
  • Most REs have not seen the ESMP (and know the contents)
  • E&S issues may not be a routine part of weekly/monthly meetings and reports and expenditure on such issues
  • Vigilance in monitoring social and health issues especially in affected communities?

• **Contractor**
  • Supposed to have an environmental *and* social/community liaison officer – never two, sometimes one, sometimes none
  • Independence and integrity?
  • Clout to sanction offenders?
  • Budget for social and health issues?
Failures in follow up: Compliance monitoring systems

- **Bank/DFI staff**
  - Monitoring left up to contractor on most projects
  - Insufficient number of Bank inspections
  - Inspections not critical enough:
    - Not based on KPIs of loan agreement
    - Expenditure for social and health actions not accounted for
    - No appraisal of effectiveness of mitigation measures in preventing negative impacts or enhancing benefits
  - Critical review of quarterly reports?
  - Project evaluation in terms of own E&S safeguards?
Failures in follow up: ESMP implementation

- Few contractors have copy of ESMP or know the contents
- Employment of local people – targets often not met or enforced
- Employment of women – targets never met
- Focus on “HIV/AIDS/STIs sensitisation and awareness programme”
  - Most people in Sub-Saharan Africa are aware of HIV
  - Focus needs to be on prevention and behaviour change
  - Focus needs to be on health more broadly, especially co-morbid conditions (not just HIV)
- Little or no monitoring of environmental aspects which may have health consequences e.g. dust, fumes, gas, noise, vibration, water pollution, soil contamination, etc
- Little or no monitoring of these health issues in affected communities
- Little concomitant response from MoH to improve health care facilities and services in project areas
- Contractor believes social and health issues are the responsibility of government
Solutions: Grievance mechanisms???

Inappropriate in rural Africa
Way too late!
Solutions

- **Environmental authorities**
  - Review and update ESIA laws and policies to explicitly include health and social issues as being part of the environment
  - Reject sub-standard ESIAAs
  - Projects must be re-registered and updated if not implemented within 3 years of approval, or project scope changes
  - Training on critical ESIA/ESMP review and compliance monitoring
  - Conduct compliance audits as per legal requirements
  - Impose penalties for non-compliance
  - Establish cooperation with ministries responsible for health, gender, social welfare, OHS, etc

- **Resident Engineer**
  - Appoint E&S Officer
  - Make sure contractor implements all requirements of the ESMP – impose penalties if necessary
  - Include E&S issues in weekly/monthly meetings and reports
  - Monitor expenditure on E&S issues on monthly basis
Solutions *contd*.

- **Bank appraisal and compliance monitoring**
  - Definition of the terms ‘social’, ‘gender’ and ‘health’ in all policies
  - Guidance notes on health in the context of large capital projects
  - Training on critical ESIA/ESMP appraisal and compliance monitoring
  - Increase number of compliance audits during construction and operations
  - Need better health and social KPIs to address all key health and social indicators
  - Budget line items for environmental, social and health issues need to be more detailed so can account for expenditure against budget
  - More post-project monitoring to gauge effectiveness of mitigation and realisation of project benefits
  - Greater scrutiny of contractor’s human rights, environmental and social track records during procurement
  - Enforce local labour targets; realistic gender targets
Conclusions

• A good ESIA does not necessarily ensure a good project outcome (but it helps)
• Some poor ESIAs/ESMPs can result in good outcomes
• So many issues get lost or change in the transition period between ESIA completion and the start of project construction
• But a good outcome is possible if:
  • Responsible contractor is appointed
  • Strong ECO and social/community liaison officers
  • Budgets and resources available to do their jobs
  • Formation of Community Liaison Committees
  • Form partnerships with NGOs, CBOs to monitor health, social issues
  • Regular reporting of E&S issues at meetings and in monthly reports
  • Diligent and vigilant RE
  • Competent authorities carry out regular compliance audits
  • Bank E&S staff carry out regular compliance inspections, according to clearly specified operational procedures and guidelines
“There is no excuse for any company, lender or investor to claim to be unaware that their investments could impact human rights.”

Maplecroft, Amnesty International, 2002