Good Practices in National Systems for Environmental and Social Impact Assessment: A Literature Review[1]

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This paper summarizes findings from a World Bank Literature Review of Good Practices in National Systems for ESIA to inform countries seeking to strengthen and modernize their systems.

1. Introduction

Nearly all countries have developed national systems for the environmental and social impact assessment (ESIA) of projects. These national ESIA systems broadly consist of the regulatory environment, the capacity of organizations within that environment, and the quality of a set of core functions necessary for effective impact assessment. The effectiveness of national ESIA systems varies across countries, as do the range of issues that they seek to address. Faced with increasingly severe and complex environmental and social challenges—from biodiversity conservation and climate change to public participation and community safety—countries are increasingly seeking to tailor and strengthen their ESIA systems to ensure they respond effectively to such issues. The World Bank, through its Environmental and Social Framework, is similarly committed to supporting Borrower countries' efforts to strengthen their environmental and social systems.

The objective of the Literature Review is to identify trends and gaps in global literature focused on national systems for ESIA. In doing so, it seeks to inform countries on how they can strengthen their systems. It is a desktop study focused on literature from international organizations, academic institutions, government agencies, industry groups, and civil society organizations. A small number of experts from the academic, multilateral, and non-government sectors were interviewed to supplement the desktop study. Because this Review focuses on global literature, individual ESIA reports, country-specific practices and sectoral literature were largely outside the scope of the study.

The following sections present findings on two broad areas of national ESIA systems: (i) core ESIA system functions, including screening; scoping; the ESIA report and management plan; review, decision-making and licensing; and monitoring and enforcement and (ii) select design features identified based on the World Bank's past engagements, including accounting for social impacts; strengthening public participation; improving system effectiveness; strengthening expertise, independence and accountability; and managing emerging risks and impacts such as climate change.

2. Findings and Recommendations

i) Core functions of national systems for ESIA

Screening: Screening approaches vary significantly between national systems and also within countries with federal or decentralized governance. Broadly, screening follows either a threshold approach that categorizes projects based on foreseeable impacts or a case-by-case approach that evaluates projects against more flexible criteria. An example of the first approach is the 2015 Mozambique EIA Decree where projects are screened and classified according to four categories for further scrutiny. When done effectively, screening advances proportionality by prioritizing ESIA resources for projects with potentially significant impacts, supporting more

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[1] The findings, interpretations, and conclusions herein are those of the authors and do not necessarily reflect the views of The World Bank, or those of the Executive Directors of The World Bank or the governments they represent.

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cost-effective environmental and social mitigation measures, and catalyzing important changes in project design. A study in Denmark illustrates this finding: researchers examined one hundred screening decisions of which forty-five resulted in changes in project design with significant environmental benefits. Despite such potential benefits, screening is unevenly utilized across countries.

Scoping and preliminary assessment: Scoping presents an important opportunity for ESIA coordination and participation among government agencies, affected communities and other stakeholders. Participatory scoping processes help clarify goals and ensure that resources spent on the ESIA process are targeted towards priorities agreed to by stakeholders.

The ESIA report and management plan: The ESIA report should anticipate impacts, recommend project alternatives and mitigation strategies, and propose ways to monitor and address impacts. Environmental and social management plans (ESMPs) incorporated into the report are often inadequate or unenforceable. A recommendation from literature is to turn them into legally enforceable licensing conditions. This is the case under the World Bank's Environmental and Social Framework, where the commitments that Borrower countries make, such as those in ESMPs, are memorialized in an Environmental and Social Commitment Plan that forms part of the financing agreement between the World Bank and the Borrower country and is legally binding.

Review, decision making and licensing: The ESIA system should promote coordinated and independent review and decision making of ESIA reports and projects. Some countries conduct only a procedural review of reports (i.e. whether the process outlined in the ESIA legislation was followed) but good practice indicates that ESIA review bodies should review the substance of the report as well as the acceptability of anticipated impacts (i.e. whether the proposal adequately responds to the science and public inputs). The mechanism used to review ESIAs matters too—some national systems rely on a single agency for review while others use a multi-stakeholder review mechanism composed of different government agencies and stakeholders. The latter can help ensure adequate expertise on social, environmental, and other aspects at the review phase. Final decision-making authority varies across countries, but systems that grant sectoral ministries sole approval authority without effective coordination with ESIA agencies may trigger actual or perceived conflicts of interest. Research shows that the effectiveness of the review, decision-making and licensing process can be improved by establishing criteria for the final decision, clearly spelling out project approval conditions, and publicly disclosing the final decisions.

Monitoring and enforcement: The enforcement of licensing conditions through follow-up, monitoring, adaptive management, and auditing is a critical function for effective implementation of ESIAs, yet the absence of such clear and binding monitoring and enforcement arrangements is a key shortcoming of many national ESIA systems. National ESIA systems may be more focused on a regulatory decision in the form of a project's ESIA approval than on its monitoring and enforcement. This Literature Review recommends good practices to strengthen the enforcement of licensing conditions including increased coordination between relevant agencies, more effective financing models, and incorporating transparency through public participation, third-party monitoring models and external auditing.

ii) Select design features of national systems for ESIA

Accounting for social impacts: Many national EIA frameworks include social and cultural dimensions within the definition of the "environment," but recommendations on how national systems can best account for social impacts differ. Some sources suggest that social risks should be managed through national ESIA systems whereas others suggest that social risks present particularities that are better addressed through separate, complementary strategies. Advocates of this second approach highlight that social impacts related to a planned project may start to occur before a traditional ESIA process begins and require different sources of expertise. They also point out

that some national ESIA systems predate the rise in awareness of certain social concerns and issues, such as project-related gender-based violence, and thus may be insufficiently tailored to address those concerns. Countries with ESIA systems that account for both social and environmental risks broadly pursue either an integrated assessment of both types of risks, or a parallel assessment with varying degrees of coordination between responsible authorities. To effectively account for both social and environmental aspects in national ESIA systems, this Review recommends for more case studies on various country models and successful experiences and guidelines for institutional mechanisms to strengthen sectoral collaboration. Good practice examples can also look at key operational levers, including terms of refence, procurement processes, and budgeting tools.

Effective Participation: Literature discusses a wide spectrum of approaches to enable meaningful participation, including capacity building and independent support to project-affected communities. However, there is significant divergence in some areas, including definitions, approaches, timelines, and requirements to enable meaningful participation of project-affected communities and the public. Emerging good practices consider civil society and community groups as key partners to realize effective and meaningful participation. National systems can offer capacity building and designated funding to communities to encourage active participation. This is the case in the Canadian model where the Indigenous Capacity Support Program offers designated funding for participation and capacity building of indigenous communities. Researchers and policymakers can analyze the costs of weak public participation and highlight recent innovations, including civil society partnership models, community capacity building through the provision of independent legal and technical assistance to communities.

Expertise, independence, and accountability: National ESIA systems utilize different strategies to ensure competent, independent, and accountable review and monitoring of projects. Some systems not only support transparency through publicly disseminating ESIA documentation and developing accessible national ESIA databases but also focus on the capacity of these groups to use this information. Expertise and basic professional standards can be upheld through certification or accreditation programs for environmental and social consultants and firms. The financing modalities of ESIA systems can also promote independence, accountability, and active participation. Further interdisciplinary research is however needed to understand how to finance ESIA systems effectively and independently and integrate them into broader governance systems.

Effectiveness: Literature increasingly assesses the overall effectiveness of national ESIA systems. But relatively few studies consider how ESIA systems best connect with and integrate into broader efforts to improve governance or promote sustainable development. The technical aspects of ESIA, such as methods for the ESIA report, have been extensively studied but few publications examine approaches policymakers can take to concretely strengthen the legal basis, governance, and effectiveness of national ESIA systems. For example, assessing the performance of a national ESIA system, including calculating costs of delays and the overall benefits of meaningful participatory assessments, may help countries make the case for strengthened ESIA systems.

Mitigation Hierarchy: Historically, ESIA systems have focused on minimizing project-related harm, but literature is evolving towards an expectation that ESIA systems should screen out projects that are not adequately justified to maximize project benefits and encourage those with positive environmental and social impacts. Incorporating the mitigation hierarchy can be a useful strategy—first by avoiding environmental and social risks and impacts, then minimizing those that cannot be avoided to acceptable levels and compensating or offsetting residual impacts where technically and financially feasible. The mitigation hierarchy is a core approach within the World Bank ESF. Likewise, a number of national ESIA systems are also working to incorporate the mitigation hierarchy, but it is not frequently or sufficiently integrated.

Climate change: National ESIA systems are increasingly being called upon to integrate new perspectives and emerging dimensions of environmental and social risks associated with climate change. Project ESIAs, however,

struggle to analyze interrelationships between a specific project and longer-term climate factors. Researchers attribute this difficulty to the fact that climate change impacts manifest over periods of time that are longer than typical project timelines and each project is inevitably one of many contributors. The European Commission is one of a few institutions that have issued guidance on strategies to incorporate climate review into ESIA. More guidance and practical tools are still needed on ways to integrate climate risk assessments into national ESIA systems and use them to advance countries' sustainability agendas.

3. Conclusion

This Literature Review finds extensive commonalities as well as important areas of divergence in literature on national systems for ESIA. Considerable literature focuses on the core functions of national systems for ESIA with some differences in approach and emphasis. More research also addresses the technical aspects of ESIA than the overall effectiveness of the system. Areas of divergence that emerge include how literature recommends accounting for social impacts, effectively and adaptively managing risk, and enabling the participation of affected communities. This Review found surprisingly little literature that assesses the practical steps that policymakers can take to concretely strengthen ESIA effectiveness. In addition, there is sparse literature on the extent to which national ESIA systems help countries achieve broader goals, such as advancing regulations that enhance business and investment activities, climate resilience or social inclusion. The examination of these aspects can help countries strengthen their ESIA systems and make a transformational contribution to environmental and social sustainability.

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Select Organizations and Platforms

Environmental Law Alliance Worldwide

Institute of Environmental Management and Assessment

International Association for Impact Assessment

Institute of Environmental Management and Assessment

Netherlands Commission for Environmental Assessment

Social Impact Assessment Hub

Southern African Institute for Environmental Assessment

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