



Review and Update of the World Bank's Safeguard Policies Meeting with Environmental Impact Assessment Agencies and Social Institutes Consultation Feedback Summary

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Total Number of Participants: 14

1. What has worked well in the current safeguard policies?

- OP 4.01 and OP 4.12 generally work well in China. OP 4.01 has played a key role in influencing Chinese EA policy. Environmental screening, project categorization, alternative analyses are very useful and should be promoted.
- EMP is a useful instrument for environmental management.
- Under Chinese law, the Strategic EA (SEA) plays an important role in managing environment at macro level. In this connection, the Bank should promote "Policy EA". Bank training on SEA has had important benefits for China.
- OP 4.12 has had deep and long-term influence in the development of Chinese involuntary resettlement policies.

2. Issues and challenges encountered in the application of the safeguard policies.

- The influence of the Bank in China is gradually declining because: (i) China has gradually caught up with the Bank in terms of safeguard requirements; (ii) the current approach requesting detailed information and long project preparation time does not work well, and receives a lot of complaints from clients; and (iii) a lot of resources have been used to prepare paper work, not to achieve real impacts on the ground. Local officials are also required to follow local law, and this is often inconsistent with resettlement requirements.
- Involuntary Resettlement. The Bank policy requests a detailed resettlement survey during the feasibility study stage. The detailed survey and RAP preparation could be postponed to a later stage, when the project detailed design is available, so as to

ensure data accuracy.

- The linked project is not clear in terms of its scope and definition.
- The current due diligence is not clear in terms of requirements and timing for conducting due diligence.
- Indigenous Peoples. This policy is intended to protect Indigenous Peoples from harm by requesting a stand-alone Indigenous Peoples Development Plan. However, to reduce project preparation cost, clients are more likely to select project areas which do not have Indigenous Peoples, thus excluding those people from project benefits.
- Social Assessment. The policy does not specify when social assessment should be undertaken, and on what conditions SA is mandatory.
- External monitoring consultants are engaged by project sponsors, which is difficult to ensure their Independence and consistency of approach.

3. Aspects of the environmental and social safeguards policies that the Bank can improve to ensure that these policies continue to be an effective and efficient tool to achieve sustainable development and results on the ground.

- The updated policy should be more specific on the requirements of social assessment (e.g., scope, contents) and cumulative impact assessment, linked project, due diligence, cut-off dates, etc.
- The integrated framework should include a comprehensive process (e.g., assessment, management plan, implementation, monitoring and evaluation) to ensure project sustainability.
- The environmental policy should be made to consider macro level issues/mechanisms to improve overall environmental quality, such as eco-compensation, and emission trade systems, etc.
- The updated policy may consider the following changes: (i) shift the focus from project preparation to project implementation. A lot of preparation work has been done by project sponsors in accordance with Chinese regulations which are similar to the Bank's safeguards policies; (ii) shift the focus from project implementation management to providing the clients with training and guidance; (iii) shift the focus from financing individual projects to financing policy research and studies; and (iv) shift the focus from Bank financed projects to non-Bank financed projects.
- Overall, the ADB system is better than the Bank's because the process is more comprehensive, especially on social issues.

4. How the Bank can better support borrowers in their efforts to strengthen their systems and institutions with respect to environmental and social safeguards practices to yield more sustainable results on the ground.

- China is undergoing rapid economic transition, and has to address social and environmental issues accompanying the urbanization process. In the 1990s, the Bank supported a lot of capacity building activities. But since 2000, this kind of activity has been greatly reduced. It is suggested that the Bank continue supporting capacity building activities, including training, institutional capacity building, improvement of local environmental systems, etc. The capacity building activities should not be only at national level, but at regional and river basin level, to solve transboundary environmental and social issues. For example,

China is considering how to utilize water resources in its remote areas in a sustainable way. Development should be addressed at regional or entire water basin level. The Bank may work with different countries to share experience and knowledge among countries.

- The Bank should focus on environmental issues and on improving the serious environmental quality issues that plague China. Environmental framework approach could focus on macro level, looking at ecosystem services, emission readings, etc. Note that labor and human rights are the domain of other agencies.

5. Recommendations with respect of any of the emerging areas described in the paper (i.e., disabilities; labor and occupational health and safety; human rights, land tenure and natural resources; free, prior and informed consent of Indigenous Peoples; gender; and climate change).

- Be very careful in including any of the seven emerging issues. This will make it even harder to do Bank projects. Should be trying to reduce requirements, not add. The updated safeguard policy could take into account some emerging issues (e.g., climate change). But the requirements must be practical and operational. The assessment needs to focus on project-related impacts, not on generally analyzing all the emerging issues.
- Human rights and labor etc. are not environmental issues. It is difficult for Chinese EA institutions to prepare EA if seven emerging issues are all added into the EA requirements; It is also questionable whether the relevant authorities could approve the EA documents in this case, because some issues are out of their jurisdiction. The updated policies need to take into account both local legal systems and local conditions.

6. Any additional comments or suggestions

- EA should move upward to macro level, (e.g., river basin and regional level).
- The Bank can support information and knowledge sharing (e.g., SEA) with other countries, and pay more attention to the development of policy in China.
- The Bank should be preparing for graduation by leaving China with a good platform to move forward.
- The Bank should move away from project focus and toward research, social reform, policy approaches.