

# INTERNATIONAL SYMPOSIUM ON SOCIAL IMPACT ASSESSMENT IN EAST ASIA AND THE PACIFIC (JUNE 7, 2022) – COMMUNIQUE



By Carlos Perez-Brito, Yuen Yi Chang, and Luisa Escobar Arbogast

The World Bank in partnership with the Philippine Learning Center for Environment and Social Sustainability (PHILCESS), University of the Philippines, delivered the first International Symposium on Social Impact Assessment (SIA) in East Asia and the Pacific on June 7, 2022. Over 500 participants from countries across the globe attended this virtual event. The symposium was the largest-ever global forum on the Environmental and Social Framework (ESF) hosted by the Bank, underlining the importance of this topic.



*The World Bank's Regional Director for Sustainable Development (East Asia and the Pacific)*

## **BENOÎT BOSQUET**

In his opening remarks, he noted that investments in environmental and social governance (ESG) are booming across the globe. Bloomberg Intelligence also predicts that environmental and social governance (ESG)-related products could exceed \$50 trillion by 2025.

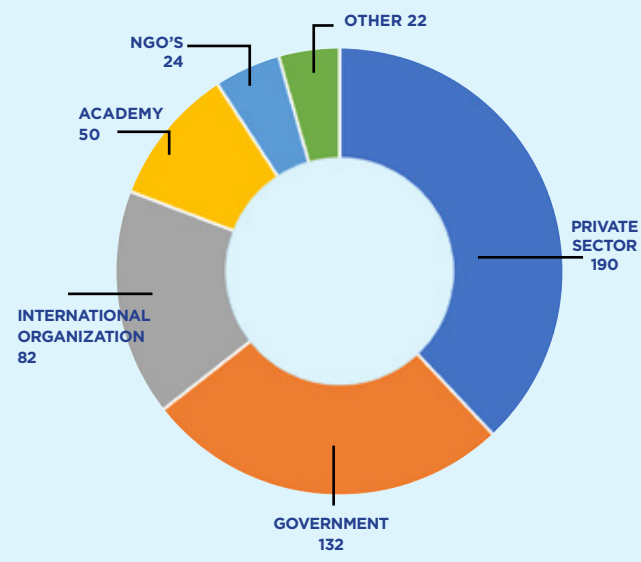
Much of this will require proper social impact assessment (SIA), especially for infrastructure investment. There is limited exchange, however, between private sector development partners and governments on how SIA methods can be harmonized and modernized.

The 2016 adoption of the World Bank's Environment and Social Framework (ESF) raised

### SNAPSHOT International Symposium on Social Impact Assessment in EAP

**290 women attended** the event representing 58% A Regional Symposium with worldwide participation, attendees from **42 countries**.

**500 participants** from diverse sectors.



the profile of SIA. The ESF is today a cornerstone of the World Bank's work on investment project financing to ensure strong protection of people and the environment. It promotes the use of SIA and social risk management to make important advances in areas such as transparency, accountability, labor, non-discrimination, and public participation.

# SIA - PRINCIPLES AND TRENDS



*Director of the Institute for Infrastructure in Society and Head of Department (Policy and Governance Program) at the Crawford School of Public Policy (Australian National University)*

## SARA BICE

In her keynote speech, she gave a brief history of the development of SIA. While SIA is often an extension of environmental impact assessments (EIA), it has today matured into its own discipline. SIA – a process of identifying and managing the social issues of project development – provides evidence-informed guidance, represents community opinions, and contributes to sustainability.

With the rise of national and transnational infrastructure projects around the world, there is a need for cooperation between investors, multilateral bodies, private sector partners and governments to ensure renewable and environmentally-friendly development that incorporates local community impacts and benefits.

Professor Bice highlighted three key features of SIA – it should be genuine, accountable, and community-centric. In other words, SIA should involve meaningful engagement, be known and accessible to affected community members, be informed by local knowledge, and prioritize community needs.

**Professor Bice also identified five trends that will shape the future of SIA:**

### 1

ESG investment will remain a fundamental lever critical to meeting infrastructure needs globally. The World Bank is leading in this area via the ESF and with commitments to sovereign ESG governance data and Quality Infrastructure Investment (QII) standards.

Studies show that investors looking for institutional investments are concerned with social risks related to projects. More work is needed to encourage and improve ESG assessment for infrastructure investments.

### 2

Climate action is critical to the fair and just transition to renewable energy and to meeting our planet's changing needs. Rapidly emerging issues, including climate refugees and migration, climate-induced pandemics, energy justice and labor changes will need to be addressed. SIA has a major role to play in successful climate action.

### 3

A more holistic approach to the management and mitigation of risks and impacts associated with major infrastructure delivery must be adopted. The world is experiencing an unprecedented level of development which is resulting in communities experiencing the compounding effects of several projects at once. Research demonstrates that where communities are in intensive project delivery environments, traditional approaches to impact mitigation fail to address cumulative impacts or realize full benefits.



# SIA PRACTICES IN EAST ASIA AND THE PACIFIC

## 4

While the accelerated use of digital technology could increase stakeholder pressure and community opposition to projects, it could also allow marginalized and vulnerable groups to be better heard.

Digital technology could also reduce social inequalities between rural, regional, and urban communities. The pandemic has accelerated digital technology adoption for SIA and these opportunities must be carefully managed.

## 5

The COVID-19 pandemic has put financial and emotional pressure on communities, many of which are feeling fatigued, unheard, or overwhelmed. As a result, certain research reveals a decline in community activism and stakeholder engagement.

This means that communities may still be impacted by projects but are currently not in a position to voice opposition or participate in deliberative processes. SIA can help support such communities to articulate their needs and to see them addressed.

To provide context and background about SIA practices in the EAP, invited SIA practitioners, researchers, and policymakers from Australia, China, Malaysia, and the Philippines spoke about their experiences coordinating and conducting SIA in their respective countries.



*SIA Specialist at the New South Wales (NSW) Department of Planning and Environment, Australia*

## RICHARD PARSONS

He said that prior to 2017, there were no state-level guidelines on how social impacts should be considered for major extractive, industrial, or infrastructure projects.

As a result, there was a policy gap that created uncertainty, inconsistency, and distrust within affected communities experiencing rapid change. In 2017, a SIA guideline was released for extractive industries, and subsequently in 2021, the guideline was updated and extended to include projects across all major development types, including government projects.

The SIA guideline in NSW is people-centric, principles-based, and scalable. Ideally, by applying the guideline, SIA should achieve better outcomes, integrate Indigenous Knowledge and local voices, begin early and continue throughout and beyond the project lifecycle, consider distributive equity of impacts and benefits, and assess positive as well as negative social impacts.

The SIA framework in NSW requires an applied social science approach, and stipulates the skills, qualifications and experience required to be considered a suitable SIA practitioner.

# SIA PRACTICES IN EAST ASIA AND THE PACIFIC



*Director of National Research Center for Resettlement, Hohai University  
China*

## **GUOQING SHI**

He explained that the social assessment systems in China were developed from experiences and lessons learnt from domestic practices and international financial institutions (IFIs), based on the needs of China's social development and governance.

To illustrate, land acquisition and resettlement is the top source of social stability risk in China, with over 80 million people being resettled and affected by development projects in the last seven decades.

SIA can help maximize the positive impact of the projects on the community and the environment, and reduce social conflicts.



*Research Scientist at the Institute of Philippine Culture, School of Social Sciences at Ateneo de Manila University, Philippines*

## **MARY RACELIS**

She called for co-knowledge generation in SIA, with primary stakeholders from within affected communities defining the issues and projects.

She observed that the traditional research approach is often extractive and frequently involves stakeholders from outside a community defining and determining the project.

Similarly, while participatory action research (PAR) sees stakeholders from affected communities involved in the monitoring process, projects are still externally defined.

SIA works best when the affected people and communities are brought into discussions from project conceptualization to conclusion.

Doing so also helps to give community members, especially marginalized or disadvantaged groups, a sense of dignity and ownership.



# CHALLENGES AND OPPORTUNITIES TO FOSTER SIA IN THE REGION



Director General of PLANMalaysia, Ministry of Housing and Local Government, Malaysia

## ALIAS BIN RAMELI

He emphasized community-oriented project planning, in line with Malaysia's Shared Prosperity Vision 2030. SIA in Malaysia is regulated by the Town and Country Planning Act (Act 172).

PLANMalaysia has formulated Malaysia's manual on SIA since 2012, and an updated iteration is expected to be published in October 2022.

Legal and capacity challenges remain, and there is work to be done to raise awareness of the importance of SIA as a project planning tool among key stakeholders. This could be done by streamlining the process, improving legislation, and increasing public awareness of SIA.

### The panel session **Challenges and Opportunities to Foster SIA in the Region**

was moderated by PHILCESS Advisor **Rolando Cuaño** and included the following speakers: (a) Professor **Sara Bice**; (b) Managing Director and Chief Risk Officer at Indonesia Infrastructure Finance **Wito Tantra**; and (c) Director of Environmental and Social Considerations Supervision Division, Credit Risk Analysis and Environmental Review Department at the Japan International Cooperation Agency (JICA), **Takeharu Kojima**.

Professor **Sara Bice** reiterated the importance of genuine, meaningful and people-centric SIA.

She asserted that now is the time to attend to the "S" in ESG, at the dawn of a global infrastructure tsunami.

The ANU Institute of Infrastructure in Society is embarking on a three-year research project focused on managing and mitigating social risk for major infrastructure projects, with the aim of developing a world-first social risk management framework for major projects.

A widespread buy-in of standards and frameworks such as the ESF is crucial to bringing the social aspect to the fore.



## TAKEHARU KOJIMA

He spoke about JICA's experience fostering SIA in host countries. JICA has published Guidelines for Environmental and Social Considerations to which JICA-funded projects need to adhere.

The guidelines were recently revised and came into force in April 2022, and are in line with the World Bank's ESF.

As a bilateral institution and part of the Japanese government, JICA must be accountable not only to the host country and its people, but also to the Japanese government and Japanese taxpayers.

EIA processes in the host country and JICA's Guidelines are core instruments to promote accountability to its stakeholders.

Given the difficulty that Japanese taxpayers would face in understanding the context of host countries, JICA has established a standing advisory committee comprised of Japanese academia, social impact, and private sector finance specialists to discuss SIA/EIA reports.

The Japanese specialists provide input beneficial to host countries. In this practice, JICA is careful not to impose any practice that cannot be applied in the local context.

Strong country safeguard systems should be guided by international standards, such as the World Bank's ESF.



## WITO TANTRA

He underscored that there is no 'one-size-fits-all' approach to SIA. Each country needs to define its own standards and taxonomies, and country safeguard systems must account for differences in culture and practices.

Project managers should also identify potential gaps between existing practices and international standards, and how to address these gaps. He highlighted several issues that needed to be addressed.

### 1

While local knowledge is important, regional cooperation is also crucial. Thus, countries must engage regional and international organizations such as the World Bank and the Asian Development Bank (ADB).

### 2

Relevant processes and country safeguard systems should be transparent.

### 3

Rule of law and the enforcement of guidelines are necessary to ensure credibility. Separately, implementing SIA in investment finance can be done by working with regulators, investors and other stakeholders to mainstream ESG into decision-making.

Wito identified several challenges to this, including the need for a change of mindset from shareholder capitalism to stakeholder capitalism, weak rule enforcement, lack of expertise, and the view shared by stakeholders that international standards are too high or unnecessary.

Panelists agreed that it is crucial to have widespread buy-in of international standards to foster SIA in the region. A holistic approach is needed to address complex, local social issues that are often intertwined with broader societal and environmental issues, including climate change.

At the same time, SIA specialists and practitioners must be trained and mentored.

Project owners, regulators and contractors also need continued training on community issues. It is also timely to consider SIA accreditation and certification to harmonize and standardize SIA practices for stakeholder engagement, social monitoring and community participation. In addition, a stronger campaign is needed to educate consumers about ESG-compliant products.

# CONCLUSION

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*Practice Manager, Social Sustainability and Inclusion, East Asia and Pacific (EAP2)*

## JANMEJAY SINGH

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He noted that the Symposium marked the largest-ever global forum on ESG hosted by the Bank, underlining the currency and importance of this issue.

He observed that while it is promising to see an ongoing paradigm shift surrounding SIA – from a compliance-oriented process to a people-centered one – the conversation must continue, and partnerships across different stakeholders should be strengthened.

Singh emphasized the importance of accreditation and certification of SIA practitioners to standardize practices. He concluded by underscoring the World Bank’s commitment to partnering with stakeholders to strengthen the links between SIA and related agendas, including climate finance, just transitions, and ESG.

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## RECOMMENDATIONS / ACTION LIST

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### LOCAL- LEVEL

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- Adopt place-based / community-centric approach
- Encourage co-knowledge generation
- Involve affected communities into discussions from project conceptualization to conclusion

### STATE/ NATIONAL- LEVEL

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- Set high policy benchmarks and strengthen legislation on SIA
- Raise awareness of the importance of SIA among stakeholders, and invoke a paradigm shift in the way SIA is perceived (from compliance-oriented to people-oriented)
- Streamline guidelines/manuals on SIA
- Increase transparency of SIA processes
- Improve coordination between SIA practitioners and other impact assessment practitioners
- Ensure SIA frameworks are dynamic, responsive, and principles-based

## REGIONAL/ INTERNATIONAL- LEVEL

- Improve public awareness on SIA by strengthening cooperation with multilateral and international organizations such as the World Bank and ADB
- Develop a regional community of practice on SIA to identify best practices and most accommodating SIA methods, while acknowledging and highlighting diversity of different communities within the region
- Develop international standards and accreditation for SIA professionals
- Develop a database of best practices and case studies
- Continue working with different countries and organizations, including the International Association for Impact Assessment (IAIA), to acknowledge and raise awareness of high-quality SIA.

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## ACKNOWLEDGMENTS

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The organizing committee was led by Carlos Perez-Brito (Senior Social Development Specialist), Luisa Escobar Arbogast (Social Development Consultant), Chaw Su Devi (Program Assistant), Myra Fe Ramones (Team Assistant), Stephanie Margallo (Program Assistant), Satoshi Ishihara (Senior Social Development Specialist), Ross Butler (Senior Social Development Specialist), Fajar Argo Djati (Senior Social Development Specialist), and Kai Shang (Social Development Specialist) from the World Bank and Bryan Alamani, Helen Fabrero-Sy, Rolando V. Cuaño, Mayumi Corazon Pimentel, Marikit Mabalay, Sheila Ruby Delloso from PHILCESS. Solange Castillo (Graph Designer Consultant) developed the visual conceptualization and design.

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Photos by Luisa Escobar Arbogast. Mabini, Batangas, Philippines. Port of Batangas, Philippines. Women in Cotabato, BARMM, Philippines.