New requirements for stakeholder consultation and social impact assessment in China

The revised Technical Guidelines for Environmental Impact Assessment, General Program (HJ 2.1-2011), are a further step towards alignment of Chinese EIA with international practice. The new guideline requires stakeholder consultation throughout the EIA process and an integrated Social Impact Assessment for certain projects.

Chinese EIA regulations are becoming increasingly aligned with international standards, such as those published by the International Finance Corporation (IFC). Changes from 1 January 2012 with the implementation of the new guideline include:

- The EIA should refer to principles of “legal compliance, up front stakeholder engagement and broad participation” to accommodate the national requirements for scientific development and construction of a harmonious, energy efficient and environmentally friendly society.
- A screening stage has been included as a formal step in the EIA process.
- Strengthening of requirements for feasibility study, social impact assessment, stakeholder consultation, environmental mitigation and management, assessment of project alternatives and mass load control.

The General Program is now a compulsory requirement for all EIAs submitted in China.

**Stakeholder Consultation**
The EIA General Program requires ongoing stakeholder consultation throughout the EIA process (see Figure 1 below).

Stakeholders representing enterprises, social groups, non-governmental organizations, residents, experts and members of the public that may be affected directly or indirectly by the project shall be consulted.

Consultation methods may include questionnaire surveys, interviews, forums, panel meetings, public hearings and/or other measures.

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Consultation should facilitate “informed participation” of stakeholder groups. As such, stakeholders shall be furnished with sufficient project information to enable them to contribute meaningfully to the EIA process.

Relevant project information including a project description, summary of the main impacts, scale and significance of the impacts, prediction of environmental risks and consequences, proposed mitigation and outcomes shall be disclosed.

Stakeholder comments shall be combined and summarized based on statistical analysis. The project proponent shall respond to all stakeholder comments

**Guidelines for Public Consultation**

The Ministry of Environmental Protection (MEP) issued the Interim Measures on Public Participation in the EIA Process on 14 February 2006. This was seen as a landmark as it was the first time that detailed requirements for stakeholder consultation had been established for EIA in China. While the Interim Measures have not yet been formalized as a “Technical Guideline”, in practice the requirements have been widely adopted for larger EIAs. They require the following:

Disclosure of the Project proponent’s name, EIA Contractor’s name and period over which the EIA will be undertaken.

- Disclosure of relevant project information.
- Consultation via written questionnaires, household surveys, town hall meetings or other means.
- Disclosure of a non-technical summary of the EIA Report and findings.

The outcomes from stakeholder consultation shall be carefully considered by the project proponent and EIA contractor, and the reasons for adoption or otherwise shall be documented in the EIA report.
Comparison with IFC Performance Standards

IFC updated its Policy on Environmental and Social Sustainability and corresponding Performance Standards on 1 January 2012. IFC’s Performance Standard 1 (PS1) defines requirements for environmental and social impact assessment underpinned by a process of stakeholder engagement:

“Stakeholder engagement is an ongoing process that may involve, in varying degrees, the following elements: stakeholder analysis and planning, disclosure and dissemination of information, consultation and participation, grievance mechanisms, and ongoing reporting to affected communities”.

IFC Performance Standard 1, 2012

IFC’s requirements for stakeholder engagement are broadly aligned with “stakeholder consultation” as defined in China’s EIA General Program. However, Chinese EIA lacks detailed requirements on planning for consultation, grievance redress and external communication. ERM views China’s new requirements for stakeholder consultation in the EIA process as a further step in aligning Chinese EIA procedures with international practice.

Social Impact Assessment

The new requirements for social impact assessment include:

1. Consideration of land acquisition and resettlement, public health, cultural heritage, and community infrastructure.

2. Establishing a socio-economic baseline and prediction of impacts through quantitative analysis or qualitative description of changes.

3. Assessment of positive and negative social impacts and establishment of mitigation/management.

However, to date there are no EIA Technical Guidelines applicable to social impact assessment in China, except for a brief description in the Technical Guideline for Road Construction EIA for Public Comments (2008).

Implications for Ongoing and New Projects

ERM considers the new EIA requirements to be a logical next step in the evolution of China’s EIA which represent increasing alignment with international practice. The changes will promote a more integrated assessment of impacts from an environmental, social and community health perspective- a practice that has become the norm internationally over the last decade.

As is the case each time new EIA Technical Guidelines are issued in China, there will be a period of “bedding down” of the new guideline until regulators and external experts responsible for EIA review establish a level of accepted practice. ERM expects that an EIA Technical Guideline specifically addressing social impact assessment will be issued in the future, drawing on experiences from early implementation of the recently issued General Program (HJ 2.1-2011).
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About the authors: Elisa Xiao, Piers Touzel and Henri DeBranche have a combined 30 years’ experience in managing environmental and social impact assessments for multinational investors in China.

They have undertaken Environmental and Social Impact Assessments and implemented consultation programs across a range of industries including oil and gas, mining, petrochemicals and infrastructure. In addition to working with project teams and government agencies to plan for, execute and monitor resettlement programs for some of the most challenging projects in China.

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