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CHAPTER 6

Environmental and Social Evaluation and Mitigation

The Ciuiabá gas pipeline in eastern Bolivia is seen by many as a threat to the conservation of this pristine forest region (© Hermes Justiniano/ Bolivianature.com).

Multilateral development banks have been harshly criticized for failing to identify and mitigate the environmental and social impacts associated with the projects they finance. Beginning in the 1980s, the World Bank promoted guidelines for its investments that included environmental impact analyses (EIAs) and environmental management plans (World Bank 1991, 2003a). However, this approach has shown serious shortcomings. Traditional EIAs tend to focus on direct impacts in the implementation phase of projects, failing to identify secondary impacts from economic, social, or environmental phenomena associated with the infrastructure investments. Similarly, most EIAs did not consider cumulative impacts or the synergistic impacts of a project when aggregated with other projects. The consequences of any individual project might not be noteworthy, but the secondary, synergistic, and cumulative impacts that emerge amid a combination of projects and market phenomena may cause repercussions far beyond the project's direct impacts (Fogelman 1990). Finally, traditional EIAs have not been able to influence investment decisions made by the development banks because they have been conducted after financial and planning processes have already been set in motion. Viewed cynically, their intent was to meet a regulatory requirement or to manage a specific environmental problem, not to influence the design of a project or the decision to proceed with an investment. The public consultative processes of traditional EIAs were indicative of this inherent flaw: they were conducted after the study was completed to inform civil society, rather than to involve society in decisions about whether to proceed, modify, or reject the planned investment.