



**THE WORLD BANK**

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Operations Policy & Country Services

# Setting Standards for Sustainable Development

## Update and Review of the World Bank's Safeguard Policies

### *Overview*

*Consultations on 2<sup>nd</sup> draft  
Environmental and Social  
Framework  
2015/16*

# Content

- **Safeguards and World Bank goals**
- **Objectives and ambitions**
- **Timeline**
- **Proposed standards**
- **Approach to consultations**
- **Outstanding issues**

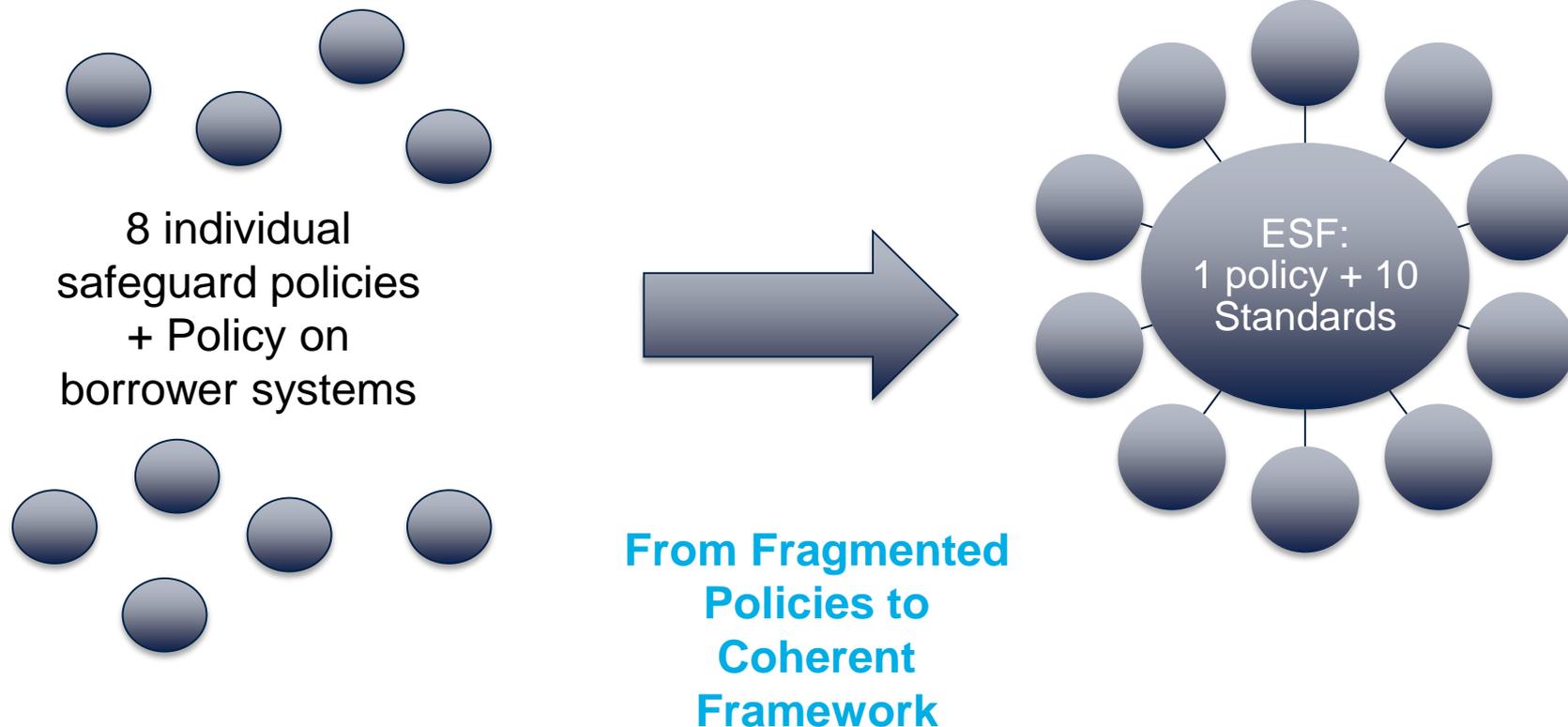


# Reminder: Why are we doing this?

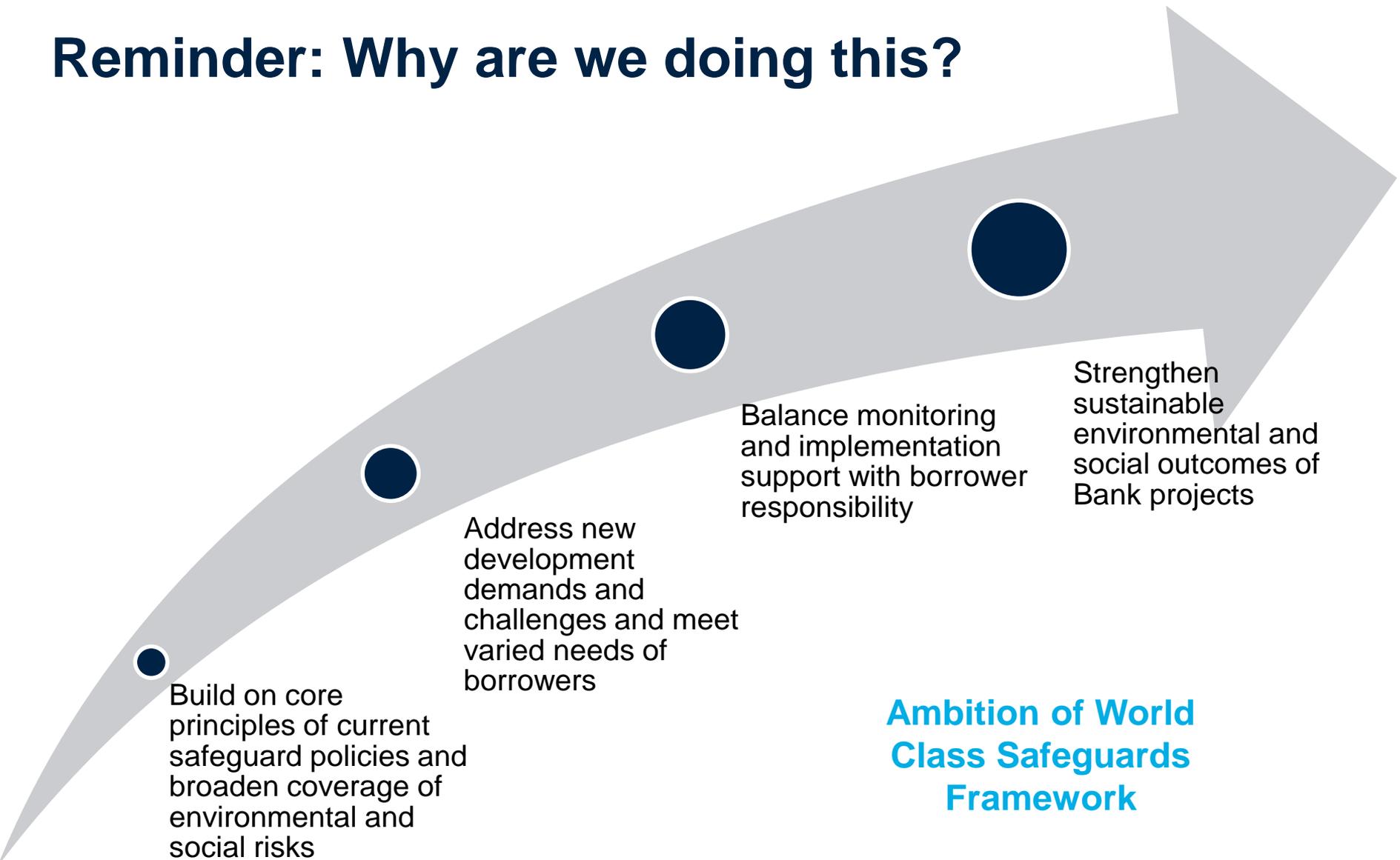
**World Class  
Safeguards Directly  
Linked to Achieving  
WBG Goals**



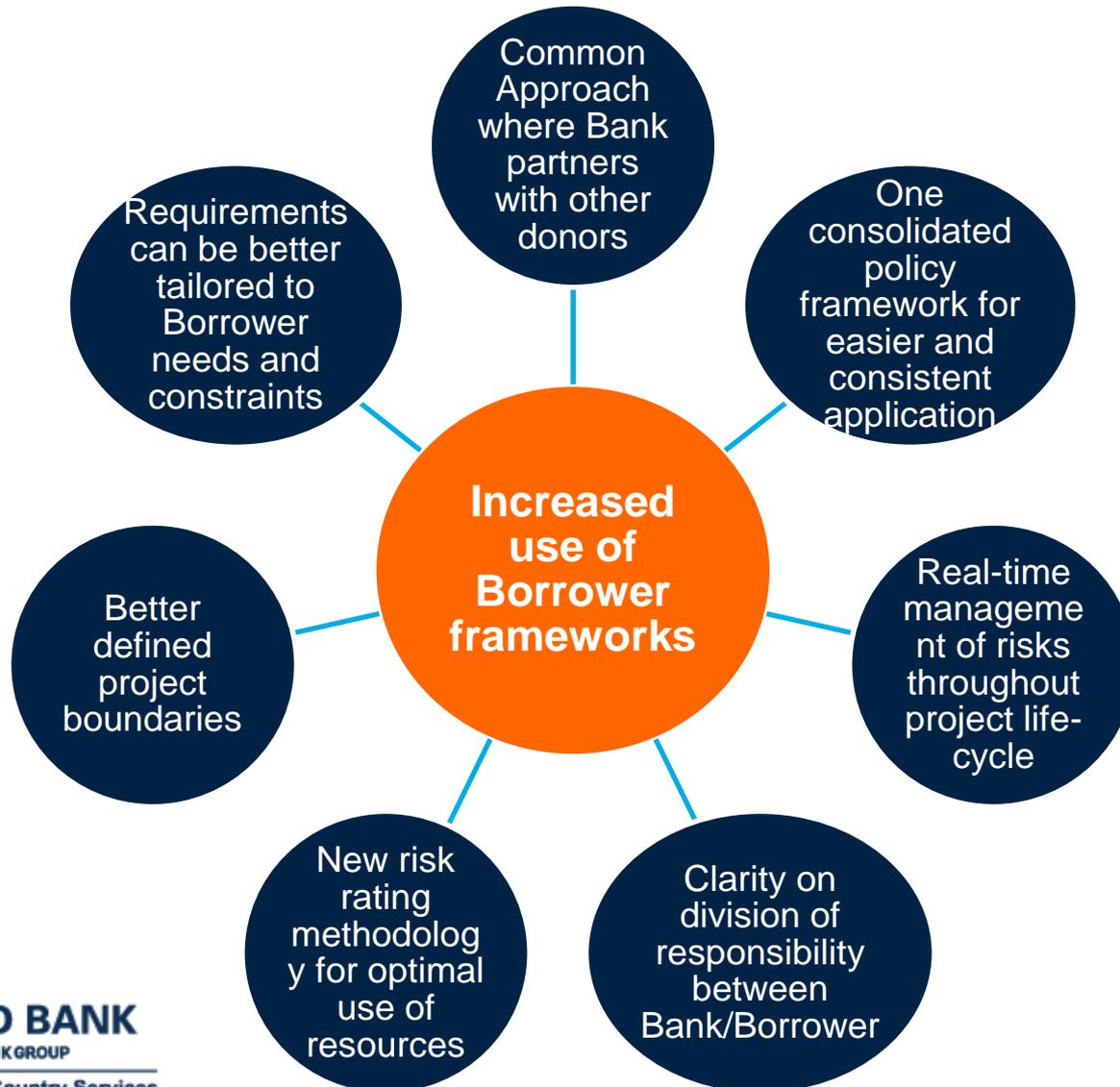
# Reminder: Why are we doing this?



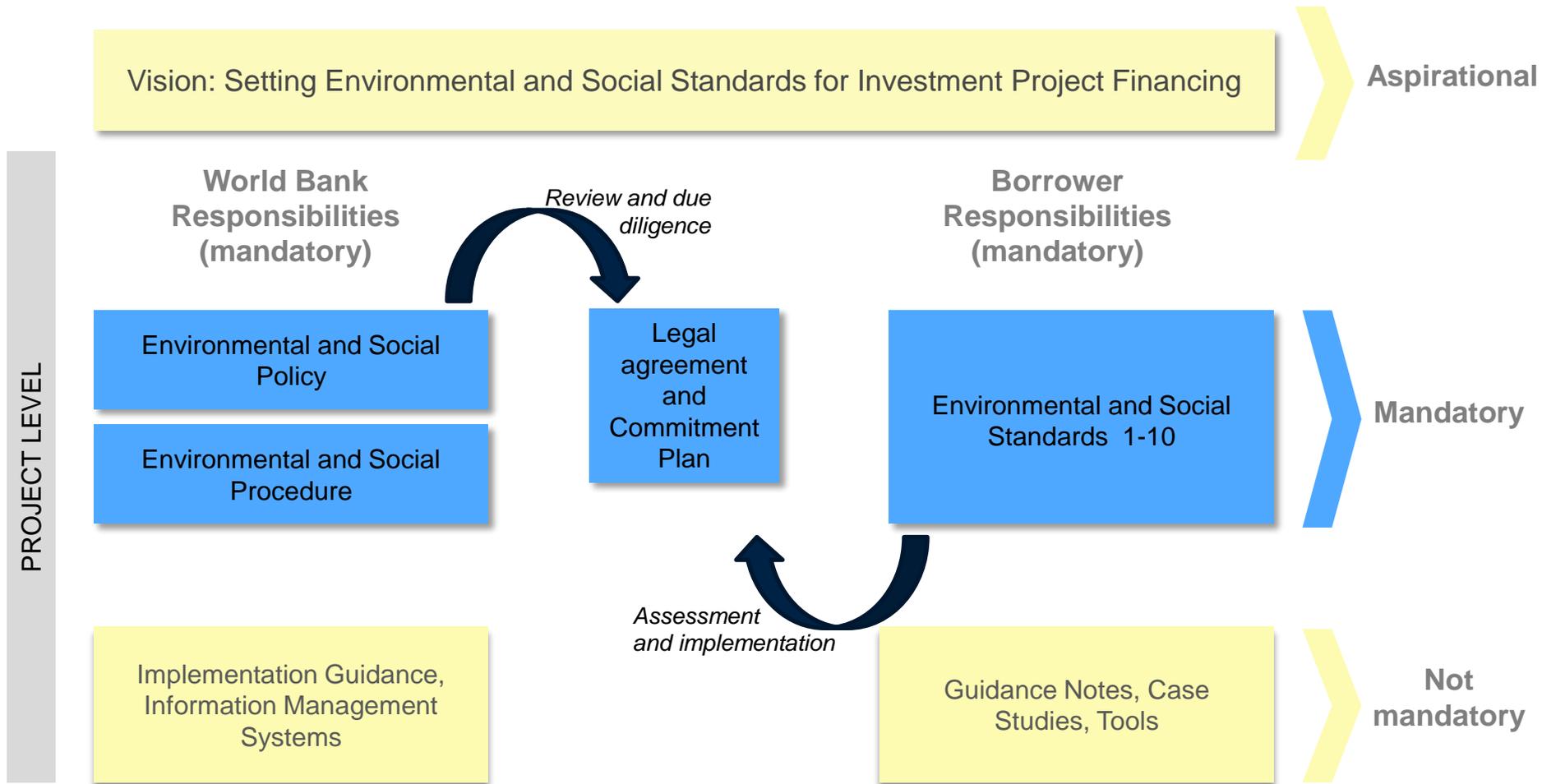
# Reminder: Why are we doing this?



# Advantages for Borrowers



# Policy Architecture



# Modernizing the current safeguard policies

## THE SECOND DRAFT ENVIRONMENTAL AND SOCIAL FRAMEWORK

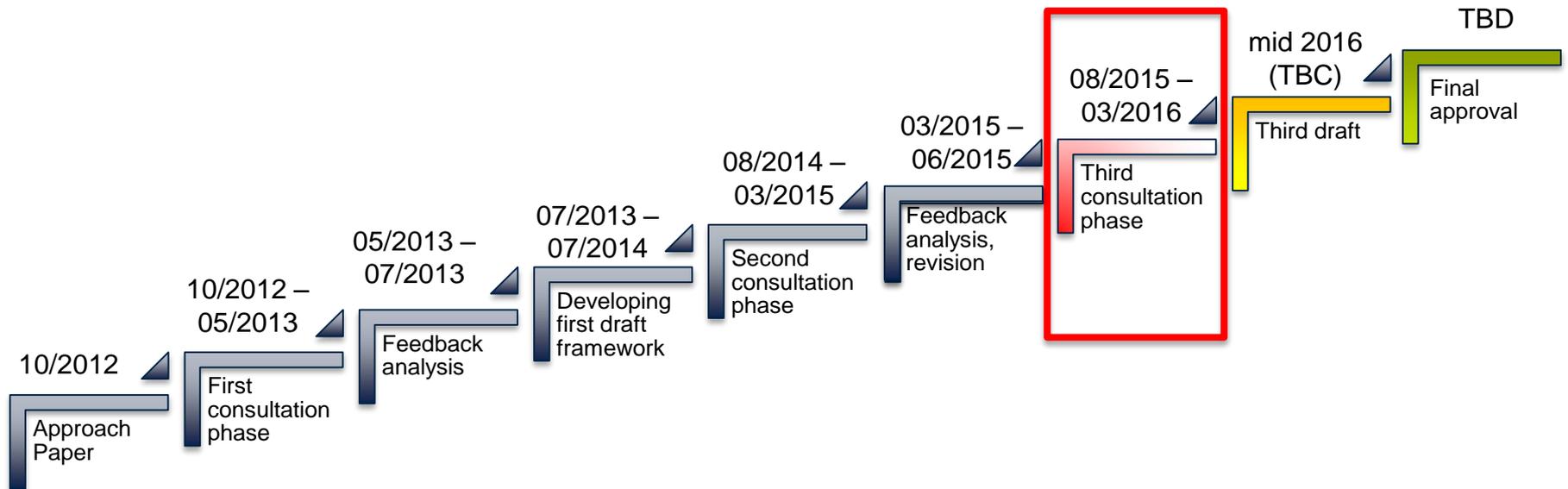
| Standard  | Building on                                   | Modernizing   |
|---|---|---|
| ESS1: Assessment and Management of ES Risks and Impacts                       | OP/BP4.01 (Environmental Assessment)          | More emphasis on social assessment; non-discrimination; adaptive management and time frame for compliance; harmonized approach with other development partners; building and strengthening borrowers framework; monitoring and reporting across the entire project cycle. |
| ESS2: Labor and working conditions  | OP/BP4.01 and EHS Guidelines                  | Prohibiting child labor and forced labor; focus on OHS, grievance mechanism; non-discrimination and equal opportunity; freedom of association and collective bargaining respecting national law   |
| ESS3: Resource Efficiency and Pollution Prevention and Management             | OP4.09 (Pest Management) and EHS Guidelines   | Efficient management of energy, water, and other resources and materials; estimation and reduction of greenhouse gas (GHG) emissions where technically and financially feasible   |
| ESS4: Community Health and Safety   | OP/BP4.37 (Safety of Dams) and EHS Guidelines | Focus on risks and impacts on communities through design and safety of infrastructure, equipment, services, traffic, and hazardous materials; plan for emergency preparedness and response; management of security personnel  |
| ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement | OP/BP4.12 (Involuntary Resettlement)          | Greater clarity on land titling, access to common resources, voluntary transactions, use of escrows, and in-situ resettlement; and distinction between forced eviction and eminent domain   |

# Modernizing the current safeguard policies

## THE SECOND DRAFT ENVIRONMENTAL AND SOCIAL FRAMEWORK

| Standard   | Building on  | Modernizing  |
|--|--|--|
| ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources | OP/BP4.04 (Natural Habitats) and OP/BP4.36 (Forests) | Requirement to assess and mitigate impacts on biodiversity and manage living natural resources; addresses the impact on livelihood of the communities; requirements related to primary suppliers |
| ESS7: Indigenous Peoples   | OP/BP4.10 (Indigenous Peoples)                       | Clearer definitions, introduction of FPIC in specified circumstances; protection of IPs in voluntary isolation   |
| ESS8: Cultural Heritage  | OP/BP4.11 (Physical Cultural Resources)              | Adopt chance find procedure, enhanced consultation with affected communities; intangible cultural heritage; community consultations for commercialization of cultural heritage                   |
| ESS9: Financial Intermediaries   | OP/BP 4.01   | Establish E&S procedures proportionate to FI nature and project risks and impacts; annual reporting to Bank  |
| ESS10: Information Disclosure and Stakeholder Engagement                               | Consolidates WB engagement provisions                | Meaningful consultation; enhanced stakeholder engagement, access to information and grievance redress  |

# Review Process



# Phase 3 Consultations (August 2015-TBD)

- **Scope:** 33 countries (30 borrowers)\*

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|---|--|
| <b>AFR (10 countries):</b> Angola (African Caucus, for information), South Africa, Madagascar, Rwanda, Tanzania, Cameroon, Burkina Faso, Ethiopia, Nigeria, Kenya | <b>EAP (3 countries):</b> China, Vietnam, Indonesia      |
| <b>LAC (5 countries):</b> Peru, Mexico, Honduras, St. Lucia, Brazil   | <b>ECA (3 countries):</b> Turkey, Uzbekistan, Tajikistan |
| <b>MNA (6 countries):</b> Egypt, Lebanon, Iraq (VC), Jordan (VC), Morocco, Saudi Arabia   | <b>Part I (3 countries):</b> Belgium, Japan, USA         |
| <b>SAR (3 countries):</b> India, Bangladesh, Afghanistan  |  |

- **Focus**
  - Implementability of proposed standards in WB-financed projects
  - Potential changes in effort required for borrowers
  - Outstanding issues that need to be resolved in third draft

# Outstanding Issues for Consultation

- List of 52 [issues](#) identified by Management and Board for further discussion, including (See annex for the full list):
  - Approach to Human Rights
  - Labor (freedom of association, collective bargaining, etc.)
  - Climate change and GHG emissions
  - Implementation of Indigenous Peoples standard in complex political and cultural contexts and where national constitutions do not recognize Indigenous Peoples
  - Criteria for establishing and implementation of Free, Prior and Informed Consent (FPIC)
  - Specific aspects of non-discrimination principle (list of vulnerable groups, application in complex social and political environments)
  - Use of borrower frameworks
  - Aspects of adaptive risk management (timing of actions and disclosure of documents)
  - Treatment and rights of informal occupants
  - Client capacity building and implementation support



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**THANK YOU**

More information available at:

<http://consultations.worldbank.org/consultation/review-and-update-world-bank-safeguard-policies>

# Annex: Issues for Phase 3 Consultations

At the meeting on July 1, 2015, the Committee on Development Effectiveness (CODE) endorsed the next round of consultations on the second draft Environmental and Social Framework (ESF). Executive Directors requested World Bank Management to discuss a number of issues during the Phase 3 consultations. The list below was developed following the CODE meeting, and sets out specific issues which Executive Directors have requested Management to include in the forthcoming consultation meetings, especially those to be conducted with governments. The consultations will focus on gathering feedback from borrowing countries and other stakeholders on these and other issues as well as on the resources and implementation of the ESF. This list is indicative of the issues to be discussed, but is not exhaustive.

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| <b>Human Rights</b>  | 1. Approach to human rights in the ESF   |
| <b>Non-discrimination and vulnerable groups</b>                                | 2. Explicit listing of specific vulnerable groups by type/name (age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or indigenous status, and/or dependence on unique natural resources)<br>3. Specific aspects of the non-discrimination principle in complex social and political contexts, including where recognition of certain groups is not in accordance with national law   |
| <b>Use of Borrower's Environmental and Social Framework</b>                    | 4. Role of Borrower frameworks in the management and assessment of environmental and social (E&S) risks and impacts where these will allow projects to achieve objectives materially consistent with Environmental and Social Standards (ESSs)<br>5. Approach for making decision on the use of Borrower frameworks, including the methodology for assessing where frameworks will allow projects to achieve objectives materially consistent with the ESSs, and the exercise of Bank discretion<br>6. Role of Borrower frameworks in high and substantial risk projects |
| <b>Co-financing/ common approach</b>   | 7. Arrangements on E&S standards in co-financing situations where the co-financier's standards are different from those of the Bank  |
| <b>Adaptive risk management</b>  | 8. Approach to monitoring E&S compliance and changes to the project during implementation  |
| <b>Risk classification</b>   | 9. Approach to determining and reviewing the risk level of a project   |
| <b>Assessment and management of environmental and social risks and impacts</b> | 10. Assessment and nature of cumulative and indirect impacts to be taken into account<br>11. Treatment of cumulative and indirect impacts when identified in the assessment of the project<br>12. Establishing project boundaries and the applicability of the ESSs to Associated Facilities, contractors, primary suppliers, FI subprojects and directly funded sub-projects<br>13. Circumstances under which the Bank will determine whether the Borrower will be required to retain independent third party specialists   |
| <b>Environmental and Social Commitment Plan (ESCP)</b>                         | 14. Legal standing of the ESCP and implications of changes to the ESCP as part of the legal agreement  |

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| <b>Labor and working conditions</b>                  | <ul style="list-style-type: none"> <li>15. Definition and necessity of and requirements for managing labor employed by certain third parties (brokers, agents and intermediaries)</li> <li>16. Application and implementation impacts of certain labor requirements to contractors, community and voluntary labor and primary suppliers</li> <li>17. Constraints in making grievance mechanisms available to all project workers</li> <li>18. Referencing national law in the objective of supporting freedom of association and collective bargaining</li> <li>19. Operationalization of an alternative mechanism relating to freedom of association and collective bargaining where national law does not recognize such rights</li> <li>20. Issues in operationalizing the Occupational Health and Safety (OHS) provisions/standards</li> </ul>   |
| <b>Climate change and GHG emissions</b>              | <ul style="list-style-type: none"> <li>21. The relation between provisions on climate change in the ESF and broader climate change commitments, specifically UNFCCC</li> <li>22. Proposed approaches to measuring and monitoring greenhouse gas (GHG) emissions in Bank projects and implications thereof, in line with the proposed standard, including determining scope, threshold, duration, frequency and economic and financial feasibility of such estimation and monitoring</li> <li>23. Implications required for the Borrower of estimating and reducing GHG emissions for Bank projects, in line with the proposed standard</li> </ul>  |
| <b>Land acquisition and involuntary resettlement</b> | <ul style="list-style-type: none"> <li>24. Treatment and rights of informal occupants and approach to forced evictions in situations unrelated to land acquisitions</li> <li>25. Interpretation of the concept of resettlement as a “development opportunity” in different project circumstances</li> </ul>  |
| <b>Biodiversity</b>                                  | <ul style="list-style-type: none"> <li>26. Operationalization of the provisions on primary suppliers and ecosystem services, especially in situation with low capacity</li> <li>27. Role of national law with regard to protecting and conserving natural and critical habitats</li> <li>28. Criteria for biodiversity offsets, including consideration of project benefits</li> <li>29. Definition and application of net gains for biodiversity</li> </ul>   |
| <b>Indigenous Peoples</b>                            | <ul style="list-style-type: none"> <li>30. Implementation of the Indigenous Peoples standard in complex political and cultural contexts</li> <li>31. Implementation of ESS7 in countries where the constitution does not acknowledge Indigenous Peoples or only recognizes certain groups as indigenous</li> <li>32. Possible approaches to reflect alternative terminologies used in different countries to describe Indigenous Peoples</li> <li>33. Circumstances (e.g. criteria and timing) in which a waiver may be considered and the information to be provided to the Board to inform its decision</li> <li>34. Criteria for establishing and implementation of Free, Prior and Informed Consent (FPIC)</li> <li>35. Comparison of proposed FPIC with existing requirements on consultation</li> <li>36. Application of FPIC to impacts on Indigenous Peoples’ cultural heritage</li> </ul> |

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| <b>Cultural Heritage</b>                                   | <p>37. Treatment of intangible cultural heritage</p> <p>38. Application of intangible cultural heritage when the project intends to commercialize such heritage</p> <p>39. Application of cultural heritage requirements when cultural heritage has not been legally protected or previously identified or disturbed</p>   |
| <b>Financial Intermediaries</b>                            | <p>40. Application of standard to FI subprojects and resource implications depending on risk</p> <p>41. Harmonization of approach with IFC and Equator Banks</p>   |
| <b>Stakeholder engagement</b>                              | <p>42. Definition and identification of project stakeholders and nature of engagement</p> <p>43. Role of borrowing countries or implementing agencies in identifying project stakeholders</p>  |
| <b>EHSG and GIIP</b>                                       | <p>44. Application of the Environmental, Health and Safety Guidelines (EHSGs) and Good International Industry Practice (GIIP), especially when different to national law or where the Borrower has technical or financial constraints and/or in view of project specific circumstances</p>   |
| <b>Feasibility and resources for implementation</b>        | <p>45. Implementation and resource implications for Borrowers, taking into account factors such as the expanded scope of the proposed ESF (e.g., labor standard), different Borrower capacities and adaptive management approach</p> <p>46. Mitigation of additional burden and cost and options for improving implementation efficiency while maintaining effectiveness</p> |
| <b>Client capacity building and implementation support</b> | <p>47. Funding for client capacity building</p> <p>48. Approaches and areas of focus</p> <p>49. Approach to implementing the ESF in situations with capacity constraints, e.g., FCS, small states and emergency situations</p>   |
| <b>Disclosure</b>  | <p>50. Timing of the preparation and disclosure of specific environmental and social impact assessment documents (related to ESS1 and ESS10)</p>   |
| <b>Implementation of the ESF</b>                           | <p>51. Bank internal capacity building, resourcing, and behavioral change in order to successfully implement the ESF</p> <p>52. Ways of reaching mutual understanding between Borrower and Bank on issues of difficult interpretation</p>  |