



18 December 2017

The World Bank
1818 H Street
NW Washington
DC 20433, USA

Re: Submission by Employers and Manufacturers Association (New Zealand)

Public comment – Environmental and Social Framework (ESF) Draft Guideline Notes for Borrowers.

From The World Bank's preamble,

“The Guidance Notes for Borrowers are intended to provide helpful advice but do not substitute for the application of professional expertise and the exercise of sound judgement in relation to any specific project. The Guidance Notes for Borrowers will be revised from time to time and supplemented with additional tools and resources, including templates, checklists and other materials...”

The Environmental and Social Standards, which form an integral part of the World Bank's new Environmental and Social Framework, set out requirements for borrowing countries relating to the identification, assessment, and management of environmental and social risks and impacts associated with projects financed by the Bank through Investment Project Financing (IPF)...

We particularly welcome comments that aim to improve the usefulness of the Guidance Notes in helping Borrowers implement the Standards, taking into account the non-mandatory nature of the Guidance Notes and the scope of requirements contained in the Standards.”

Firstly we acknowledge the intent and scope of the Borrowers document, it is a well written and an extensive document. We also note the voluntary nature of the Guidelines but see a real advantage to Borrowers to use and seek guidance from the Guidelines.

The Borrower Guides are intended to *provide helpful advice* re the implementation of the various standards required by The World Bank (the Bank) to manage and mitigate risks associated with projects.

We have considered two of the Standards with which we have particular expertise, Labour and Working conditions (ESS2) and Community Health and Safety (ESS4). While our comments relate to these two standards we believe they have application to the wider document.

Comments.

1. We believe the introduction section should have a section on the benefits of using such guidelines. The section should be aspirational and describe the benefits of an integrated approach to the governance and management of “projects”. The current section is formal and lacks any aspirational or inspirational language for readers to be empowered to read on and implement. Surely the guidelines have been developed to assist users implement the Banks standards and thus as much encouragement as possible is needed, given the voluntary nature of these documents. There is ample evidence that the use of such standards as prescribed by the Bank add huge value to projects and can in many cases reduce overall costs. Having integrates management systems across all Standards and guidelines is fundamental to what other big businesses are doing in the larger world context.

ESS1. Assessment and Management of Environmental and Social Risks and Impacts.

2. Standard 26. We note the cross reference to Good International Industry Practice (GIIP). We endorse industry best practice across all the criteria within the Standards and Guideline documents. Using GIIP references gives the documents a third party and endorsement of the standards as opposed the Bank simply creating its own Standards.
3. Standard 30. We have submitted on this in earlier and again suggest some clear understanding around what is and how to define “High risk subprojects”, Substantial risk and Moderate risk projects or indeed situations. We can find no explanation to these terms and thus the borrower and their teams must attempt to second guess what the Bank means by these terms. Again using a known and endorsed risk assessment approach (ISO 3100 Risk management) would be beneficial.

ESS2. Labour and Working Conditions.

4. GN 10. We believe that here or at other relevant places is the need to consider “rehabilitation” of injured workers. It is not good practice to simply attempt to provide a safe work place but when injuries do occur then simply terminate the workers contract. There is no mention of rehabilitation found in the Safety Guidelines (EHSG’s) so the matter remains silent. Also see Guide note (ESS2 note 25)
5. GN 10. We suggest that the need to report accidents and especially near misses and unsafe conditions must be a term of employment. Having these issues within EHSG (which again are couched in terms of “should”) lessens the importance of these issues. Also cross reference GN 21.2
6. GN 13.1 see point 4 above.
7. GN21.1. There must be a reference to OH&S under this section. All too often safety issues are put into their own silo of management whereas in essence they are entirely a workplace issue and must been seen and managed at a higher level. To leave the issues to be managed once it reaches a safety level is too late.

8. GN21.1 we suggest given examples of where these documents may be found and perhaps same guidance as to wording may be beneficial.
9. GN 25.2. The world is moving to a more risk management approach to these issues. We note the ISO Standard 3100 on this matter. Fundamental to risk management is the notion of *residual risk*. We suggest that this section should contain a section on residual risk and the acceptance of the level by management and project leaders.
We also consider that more could be done to explain how to use risk assessment tools. The risk assessment tool found within EHSg is very elementary and from experience open to abuse and misuse. Given the very nature of what the Bank is attempting to do we believe this fundamental issues must be well documented and explained clearly. Relying on users and there teams to undertake risk assessments without the Bank prescribing a risk assessment tool (which is proven and reliable) could undermine the guideline document.
10. GN27/GN28 /GN 29. We feel the provision of First Aid to workers is fundamental here and should not be left within EHSg's alone.

We feel the guidelines are a valuable tool to assist Borrowers, however we believe where relevant more detail, direction and examples may well be beneficial.

We also note the language used within the Guideline, it is formal and directional as opposed to what we believe it should be that is inspirational and empowering.

Once again many thanks for the opportunity to submit on the Borrowers Guidelines.

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