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**Acronyms and Abbreviations**

<b>BC</b>	Black carbon
<b>BMP</b>	Biodiversity Management Plan
<b>BP</b>	Bank Procedure
<b>CDD</b>	Community-driven development
<b>CFCs</b>	Chlorofluorocarbons
<b>CH4</b>	Methane
<b>CHMP</b>	Cultural Heritage Management Plan
<b>CO</b>	Carbon monoxide
<b>CO2</b>	Carbon dioxide
<b>CSO</b>	Civil Society Organization
<b>DDT</b>	Dichloro-diphenyl-trichloroethane
<b>DUC</b>	Dam Under Construction
<b>EHSGs</b>	World Bank Group Environmental, Health and Safety Guidelines
<b>EIA</b>	Environmental Impact Assessment
<b>ERP</b>	Emergency Response Plan
<b>ES</b>	Environmental and Social
<b>ESA</b>	Environmental and Social Assessment
<b>ESCP</b>	Environmental and Social Commitment Plan
<b>ESF</b>	Environmental and Social Framework
<b>ESIA</b>	Environmental and Social Impact Assessment
<b>ESMF</b>	Environmental and Social Management Framework
<b>ESMP</b>	Environmental and Social Management Plan
<b>ESMS</b>	Environmental and Social Management System
<b>ESS</b>	Environmental and Social Standard
<b>FI</b>	Financial Intermediary
<b>FPIC</b>	Free, Prior and Informed Consent
<b>GHG</b>	Greenhouse Gas
<b>GHG</b>	<del>Greenhouse Gas</del>
<b>GIIP</b>	Good International Industry Practice
<b>GMOs</b>	Genetically Modified Organisms
<b>GN</b>	Guidance Note
<b>GRS</b>	Grievance Redress Service
<b>HCFC</b>	Hydrochlorofluorocarbon
<b>HFCs</b>	Hydrofluorocarbons
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>IDA</b>	International Development Association
<b>ILO</b>	International Labour Organization

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<b>IPF</b>	Investment Project Financing
<b>IPM</b>	Integrated Pest Management
<b>IPP</b>	Indigenous Peoples Plan
<b>IPPF</b>	Indigenous Peoples Planning Framework
<b>IVM</b>	Integrated Vector Management
<b>N<sub>2</sub>O</b>	Nitrous oxide
<b>NGO</b>	Non-governmental Organization
<b>NO<sub>x</sub></b>	Nitrogen oxide
<b>O&amp;M</b>	Operation and Maintenance
<b>OHS</b>	Occupational Health and Safety
<b>OP</b>	Operation Policy
<b>PCBs</b>	Poly Chlorinated Biphenyls
<b>PFCs</b>	Perfluorocarbons
<b>PM</b>	Particulate matter
<b>PMP</b>	Pest Management Plan
<b>RAP</b>	Resettlement Action Plan
<b>RHA</b>	Risk Hazard Assessment
<b>RPF</b>	Resettlement Policy Framework
<b>SEP</b>	Stakeholder Engagement Plan
<b>SESA</b>	Strategic Environmental and Social Assessment
<b>SF<sub>6</sub></b>	Sulphur hexafluoride
<b>SO<sub>2</sub></b>	Sulphur dioxide
<b>SPDs</b>	Standard Procurement Documents
<b>TA</b>	Technical Assistance financed through an IPF project
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organization

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### Glossary

**Accessibility** refers to the identification and elimination of obstacles and barriers to provide access to the physical environment, to transportation, to information and communications and to other facilities and services.

**Adaptive management** refers to the practice in which the implementation of mitigation and management measures are responsive to changing conditions and the results of project monitoring.

**Air pollution** refers to the release of air pollutants (often associated with the combustion of fossil fuels), such as nitrogen oxides (NO<sub>x</sub>), sulfur dioxide (SO<sub>2</sub>), carbon monoxide (CO), particulate matter (PM), as well as other contaminants including GHGs.

**Archaeological sites and material** refers to any combination of structural remains, artifacts, human or ecological elements and may be located entirely beneath, partially above, or entirely above the land or water surface. Archaeological material may be found anywhere on the earth's surface, singly or scattered over large areas.

**Assimilative capacity** is defined as the capacity of the environment to absorb an incremental load of pollutants while remaining below a threshold of unacceptable risk to human health and the environment.

**Associated facilities** refers to facilities or activities that are not funded as part of the project and are: (a) directly and significantly related to the project; and (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist. For facilities or activities to be Associated Facilities, they must meet all three criteria.

**Bank** refers to IBRD and/or IDA (whether acting on its own account or in its capacity as administrator of trust funds provided by other donors).

**Biodiversity** is the variability among living organisms from all sources including, *inter alia*, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems.

**Biodiversity offsets** are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development and persisting after appropriate avoidance, minimization and restoration measures have been taken.

**Borrower** refers to the recipient of Investment Project Financing (IPF) and any other entity involved in the implementation of a project financed by IPF.

**Borrower's Environmental and Social Framework** refers to those aspects of the country's policy, legal and institutional framework, consisting of its national, subnational, or sectoral implementing institutions and applicable laws, regulations, rules and procedures and implementation capacity relevant to the environmental and social risks and impacts of the project.

**Built heritage** refers to single or groups of architectural works in their urban or rural setting as evidence of a particular civilization, a significant development or a historic event. Built heritage includes groups of buildings, structures and open spaces constituting past or contemporary human settlements that are

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recognized as cohesive and valuable from an architectural, aesthetic, spiritual or socio-cultural perspective.

**Chance find (procedure).** A chance find is archaeological material encountered unexpectedly during project construction or operation. A chance find procedure is a procedure which will be followed if previously unknown cultural heritage is encountered during project activities. The chance finds procedure will set out how chance finds associated with the project will be managed.

**Collective attachment** means that for generations there has been a physical presence in and economic ties to land and territories traditionally owned, or customarily used or occupied, by the group concerned, including areas that hold special significance for it, such as sacred sites.

**Common approach** refers to the assessment and management of environmental and social risks and impact of the project in a way of facilitating cooperation between the Borrower, the Bank and other funders, with the aim of harmonizing requirements, avoiding duplication and supporting efficient use of resources for the project.

**Community representatives** refer to village heads, clan heads, community and religious leaders, local government representatives, civil society representatives, politicians or teachers.

**Consultant** refers to a variety of private entities, joint ventures, or individuals that provide services of an advisory or professional nature.

**Consulting services** cover a range of services that are of an advisory or professional nature and are provided by Consultants. These Services typically involve providing expert or strategic advice.

**Core functions** of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.

**Critical habitat** is defined as areas with high biodiversity importance or value, including: (a) habitat of significant importance to Critically Endangered or Endangered species, as listed on the International Union for the Conservation of Nature (IUCN) Red List of threatened species or equivalent national approaches; (b) habitat of significant importance to endemic or restricted-range species; (c) habitat supporting globally or nationally significant concentrations of migratory or congregatory species; (d) highly threatened or unique system; and (e) ecological functions or characteristics that are needed to maintaining the viability of the biodiversity values described above in (a) to (d).

**Cultural heritage** is defined as resources with which people identify as a reflection and expression of their constantly evolving values, beliefs, knowledge and traditions.

**Cumulative impact** refers to the incremental impact of the project when added to impacts from other relevant past, present and reasonably foreseeable developments as well as unplanned but predictable activities enabled by the project that may occur later or at a different location. Cumulative impacts can result from individually minor but collectively significant activities taking place over a period of time.

**Cumulative Impact Assessment** refers to an instrument to consider cumulative impacts of the project in combination with impacts from other relevant past, present and reasonably foreseeable developments, as well as unplanned but predictable activities enabled by the project that may occur later or at a different location.

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**Dam** include water storage dam for a hydropower, water supply, irrigation, flood control, or multipurpose project, a tailings or a slimes dam, or an ash impoundment dam.

**Direct impact** refers to an impact which is caused by the project, and occurs contemporaneously in the location of the project.

**Disadvantaged or vulnerable** refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. This will take into account considerations relating to age, including the elderly and minors, and including in circumstances where they may be separated from their family, the community or other individuals upon which they depend.

**Ecosystem services** are the benefits that people derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems and which may include food, freshwater, timbers, fibers, medicinal plants; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes and which may include surface water purification, carbon storage and sequestration, climate regulation, protection from natural hazards; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems and which may include natural areas that are sacred sites and areas of importance for recreations and aesthetic enjoyment; and (iv) supporting services, which are the natural processes that maintain the other services and which may include soil formation, nutrient cycling and primary production.

**Environmental, Health, and Safety Guidelines (EHSGs)** are technical reference documents with general and industry-specific statements of Good International Industry Practice. The EHSGs contain the performance levels and measures that are generally considered to be achievable in new facilities by existing technology at reasonable cost.

**Emergency situations** refer to those cases where the Borrower/beneficiary or, as appropriate, the member country is deemed by the Bank to be in urgent need of assistance because of a natural or man-made disaster or conflict.

**Emergency event** refers to an unanticipated incident, arising from both natural and man-made hazards, typically in the form of fire, explosions, leaks or spills, which may occur for a variety of different reasons, including failure to implement operating procedures that are designed to prevent their occurrence, extreme weather or lack of early warning.

**Environmental and social audit** is defined as an instrument to determine the nature and extent of all environmental and social areas of concern at an existing project or activities. The audit identifies and justifies appropriate measures and actions to mitigate the areas of concern, estimates the cost of the measures and actions, and recommends a schedule for implementing them.

**Environmental and Social Assessment (ESA)** refers to a process of analysis and planning to ensure the environmental and social impacts and risks of a project are identified, avoided, minimized, reduced or mitigated throughout the project life-cycle.

**Environmental and Social Commitment Plan (ESCP)** refers to a summary document setting out the material measures and actions that are required for the project to achieve compliance with the

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Environmental and Social Standards over a specified timeframe in a manner satisfactory to the Bank. The ESCP forms part of the Legal Agreement.

**Environmental and Social Framework (ESF)** comprises: a Vision for Sustainable Development, which sets out the Bank's aspirations regarding environmental and social sustainability; the World Bank Environmental and Social Policy for Investment Project Financing, which sets out the mandatory requirements that apply to the Bank; and the Environmental and Social Standards, together with their Annexes, which set out the mandatory requirements that apply to the Borrower and projects.

**Environmental and social impact assessment (ESIA)** refers to an instrument to identify and assess the potential environmental and social impacts of a proposed project, evaluate alternatives, and design appropriate mitigation, management, and monitoring measures.

**Environmental and social management framework (ESMF)** refers to an instrument that examines the risks and impacts when a project consists of a program and/or series of sub-projects, and those risks and impacts cannot be determined until the program or sub-project details have been identified. The ESMF sets out the principles, rules, guidelines and procedures to assess the environmental and social risks and impacts.

**Environmental and social management plan (ESMP)** refers to an instrument that details (a) the measures to be taken during the implementation and operation of a project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures.

**Environmental and Social Management System (ESMS)** is a system to identify, assess, manage, and monitor the environmental and social risks and impacts of Financial Intermediary subprojects on an ongoing basis.

**Financial feasibility** is based on relevant financial considerations, including the relative magnitude of the incremental cost of adopting such measures and actions compared to the project's investment, operating, and maintenance costs, and on whether this incremental cost could make the project nonviable for the Borrower.

**FI subprojects** are defined as projects or activities financed by an Financial Intermediary (FI). Where an FI provides financing or guarantees to other FIs, "FI subprojects" are defined as projects or activities financed by the latter FI with support from the former FI.

**Forced eviction** is defined as the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in ESS5. The exercise of eminent domain, compulsory acquisition or similar powers by a Borrower will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of ESS5, and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate or excessive force).

**Good International Industry Practice (GIIP)** is defined as the exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally or regionally. The outcome of such exercise should be that the project employs the most appropriate technologies in the project-specific circumstances.

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**Habitat** is defined as a terrestrial, freshwater, or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment. Habitats vary in their sensitivity to impacts and in the various values society attributes to them.

**Harvesting of living natural resources**, such as fish and all other types of aquatic and terrestrial organisms and timber, refers to productive activities that include extraction of these resources from natural and modified ecosystems and habitats.

**Hazard or risk assessment** is defined as an instrument for identifying, analyzing, and controlling hazards associated with the presence of dangerous materials and conditions at a project site. The Bank requires a hazard or risk assessment for projects involving certain inflammable, explosive, reactive, and toxic materials when they are present in quantities above a specified threshold level.

**Historical pollution** is defined as pollution from past activities affecting land and water resources for which no party has assumed or been assigned responsibility to address and carry out the required remediation.

**Indirect impact** is defined as an impact which is caused by the project and is later in time or farther removed in distance than a direct impact, but is still reasonably foreseeable, and will not include induced impacts.

**Induced impacts** are indirect economic impacts that may be generated by a project, both positive and negative, that are not associated with the physical footprint of the project, and not a direct result of the project's physical impact/activities.

**Intangible cultural heritage** includes practices, representations, expressions, knowledge, skills - as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities and groups recognize as part of their cultural heritage, as transmitted from generation to generation and constantly recreated by them in response to their environment, their interaction with nature and their history.

**Involuntary Resettlement.** Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, including those that lead to loss of income sources or other means of livelihood), or both. The term “**involuntary resettlement**” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.

**Investment Project Financing (IPF)** refers to the Bank's financing of investment projects that aims to promote poverty reduction and sustainable development. IPF supports projects with defined development objectives, activities, and results, and disburses the proceeds of Bank financing against specific eligible expenditures.

**Land acquisition** refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. “Land” includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.

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**Legal Agreement.** The legal agreement entered into between the Bank and the Borrower to provide Bank financing for the Borrower's investment project.

**Like-for-like or better.** The principle of "like-for-like or better" means that in most cases biodiversity offsets should be designed to conserve the same biodiversity values that are being affected by the project (an "in kind" offset). In certain situations, however, areas of biodiversity to be affected by the project may be neither a national nor a local priority, and there may be other areas of biodiversity with like values that are a higher priority for conservation and sustainable use and under imminent threat or in need of protection or effective management.

**Livelihood** refers to the full range of means that individuals, families, and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade, and bartering.

**Meaningful consultation** refers to a two-way process, that: (a) Begins early in the project planning process to gather initial views on the project proposal and inform project design; (b) Encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts; (c) Continues on an ongoing basis, as risks and impacts arise; (d) Is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders in a culturally appropriate format, in relevant local language(s) and is understandable to stakeholders; (e) Considers and responds to feedback; (f) Supports active and inclusive engagement with project-affected parties; (g) Is free of external manipulation, interference, coercion, discrimination, and intimidation; and (h) Is documented and disclosed by the Borrower.

**Migrant workers** are defined as workers who have migrated from one country to another or from one part of the country to another for purposes of employment.

**Mitigation hierarchy** is defined as a systematic and phased approach to addressing the risks and impacts of a project.

**Modified habitats** are areas that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area's primary ecological functions and species composition. Modified habitats may include, for example, areas managed for agriculture, forest plantations, reclaimed coastal zones, and reclaimed wetlands.

**Movable cultural heritage** refers to such objects as: historic or rare books and manuscripts; paintings, drawings, sculptures, statuettes and carvings; modern or historic religious items; historic costumes, jewelry and textiles; fragments of monuments or historic buildings; archaeological material; and natural history collections such as shells, flora, or minerals.

**National law** refers to applicable national, sub-national or sectoral laws, regulations, rules and procedures.

**Natural features with cultural significance** refer to features imbued with cultural heritage significance. Examples include sacred hills, mountains, landscapes, streams, rivers, waterfalls, caves and rocks; sacred trees or plants, groves and forests; carvings or paintings on exposed rock faces or in caves; and paleontological deposits of early human, animal or fossilized remains. The significance of such heritage may be localized in small community groups or minority populations.

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**Natural habitats** are areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area's primary ecological functions and species composition.

**Net gains** are defined as additional conservation outcomes that can be achieved for the biodiversity values for which the natural or critical habitat was designated.

**No net loss** is defined as the point at which project-related biodiversity losses are balanced by gains resulting from measures taken to avoid and minimize these impacts, to undertake on-site restoration and finally to offset significant residual impacts, if any, on an appropriate geographic scale.

**Pollution** refers to both hazardous and non-hazardous chemical pollutants in the solid, liquid, or gaseous phases, and includes other components such as thermal discharge to water, emissions of short- and long-lived climate pollutants, nuisance odors, noise, vibration, radiation, electromagnetic energy, and the creation of potential visual impacts including light.

**Pollution management** is defined as measures designed to avoid or minimize emissions of pollutants, including short- and long-lived climate pollutants, given that measures which tend to encourage reduction in energy and raw material use, as well as emissions of local pollutants, also generally result in encouraging a reduction of emissions of short- and long-lived climate pollutants.

**Primary production of living natural resources** is defined as the cultivation or rearing of plants or animals, including annual and perennial crop farming, animal husbandry (including livestock), aquaculture, and plantation forestry.

**Primary suppliers** are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. Core functions of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.

**Procurement documents** refer to all Procurement Documents issued by the Borrower. It includes: General Procurement Notice (GPN), Specific Procurement Notice (SPN), Expression of Interest (EOI), Request for Expressions of Interest (REOI), prequalification document, initial selection document, request for bids document, request for proposal documents, forms of contracts and any addenda.

**Project** refers to the activities for which Bank support through Investment Project Financing is sought by the Borrower and as defined in the project's legal agreement between the Borrower and the Bank. These are projects to which OP/BP 10.00 Investment Project Financing, applies. The World Bank Environmental and Social Policy for Investment Project Financing does not cover operations supported by Development Policy Lending or those supported by Program-for-Results Financing.

**Project Worker** refers to: (a) people employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers); (b) people employed or engaged through third parties to perform work related to core functions of the project, regardless of the location (contracted workers); (c) people employed or engaged by the Borrower's primary suppliers (primary supply workers); and (d) people employed or engaged in providing community labor (community workers). This includes full-time, part-time, temporary, seasonal and migrant workers. Migrant workers are workers who have migrated from one country to another or from one part of the country to another for purposes of employment.

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**Regional ESIA** refers to the examination of environmental and social risks and impacts, and issues, associated with a particular strategy, policy, plan, or program, or with a series of projects, for a particular region (e.g., an urban area, a watershed, or a coastal zone); evaluates and compares the impacts against those of alternative options; assesses legal and institutional aspects relevant to the risks, impacts and issues; and recommends broad measures to strengthen environmental and social management in the region.

**Replacement cost** is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.

**Restrictions on land use** refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, restrictions on land use within utility easements or safety zones.

**Sectoral ESIA** refers to the examination of environmental and social risks and impacts, and issues, associated with a particular sector in a region or across a nation; evaluates and compares the impacts against those of alternative options; assesses legal and institutional aspects relevant to the risks and impacts; and recommends broad measures to strengthen environmental and social management in the region. Sectoral ESIA also pays particular attention to potential cumulative risks and impacts of multiple activities. A Sectoral ESIA may need to be supplemented with project- and site-specific information.

**Security of tenure** refers to that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate.

**Strategic Environmental and Social Assessment (SESA)** is a systematic examination of environmental and social risks and impacts, and issues, associated with a policy, plan or program, typically at the national level but also in smaller areas. SESAs are typically not location-specific. They are therefore prepared in conjunction with project and site -specific studies that assess the risks and impacts of the project.

**Social and conflict analysis** refers to an instrument that assesses the degree to which the project may (a) exacerbate existing tensions and inequality within society (both within the communities affected by the project and between these communities and others); (b) have a negative effect on stability and human security; (c) be negatively affected by existing tensions, conflict and instability, particularly in circumstances of war, insurrection and civil unrest.

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**Stakeholder** refers to individuals or groups who: (a) are affected or likely to be affected by the project (project-affected parties); and (b) may have an interest in the project (other interested parties). The stakeholders of a project will vary depending on the details of the project. They may include local communities, national and local authorities, neighboring projects, and nongovernmental organizations.

**Standard Procurement Documents (SPDs)**. Procurement documents issued by the Bank to be used by Borrowers for IPF-financed projects.

**Tangible cultural heritage** refers to movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Tangible cultural heritage may be located in urban or rural settings, and may be above or below land or under the water.

**Technical feasibility** is based on whether proposed measures and actions can be implemented with commercially available skills, equipment, and materials, taking into consideration prevailing local factors such as climate, geography, demography, infrastructure, security, governance, capacity, and operational reliability.

**Trafficking in persons** is defined as the recruitment, transportation, transfer, harboring or receipt of persons by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation. Women and children are particularly vulnerable to trafficking practices.

**UN Agency** broadly refers to the United Nations departments, specialized agencies, and their regional offices, funds, and programs.

**Universal access** refers to unimpeded access for people of all ages and abilities in different situations and under various circumstances.

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**DRAFT FOR PUBLIC COMMENT**  
**Guidance Note for ESS1**  
**Assessment and Management of Environmental and Social Risks and Impacts**

*The Guidance Notes provide guidance for the Borrower on the application of the Environmental and Social Standards (ESSs), which form part of the World Bank’s 2016 Environmental and Social Framework. The Guidance Notes help to explain the requirements of the ESSs; they are not Bank policy, nor are they mandatory. The Guidance Notes do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Guidance Notes and the ESSs, the provisions of the ESSs prevail. Each paragraph of the Standard is highlighted in a box, followed by the corresponding guidance.*

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ES  
S1

**DRAFT FOR PUBLIC COMMENT**  
**Guidance Note for ESS1**  
**Assessment and Management of Environmental and Social Risks and Impacts**

**Introduction**

1. ESS1 sets out the Borrower's responsibilities for assessing, managing and monitoring environmental and social risks and impacts associated with each stage of a project supported by the Bank through Investment Project Financing, in order to achieve environmental and social outcomes consistent with the Environmental and Social Standards (ESSs).

2. The ESSs are designed to help Borrowers to manage the risks and impacts of a project, and improve their environmental and social performance, through a risk and outcomes based approach. The desired outcomes for the project are described in the objectives of each ESS, followed by specific requirements to help Borrowers achieve these objectives through means that are appropriate to the nature and scale of the project and proportionate to the level of environmental and social risks and impacts.

3. Borrowers<sup>1</sup> will conduct environmental and social assessment of projects proposed for Bank financing to help ensure that projects are environmentally and socially sound and sustainable. The environmental and social assessment will be proportionate to the risks and impacts of the project. It will inform the design of the project, and be used to identify mitigation measures and actions and to improve decision making.

Footnote 1. It is recognized that the Borrower may not be the entity directly implementing the project. Nevertheless, the Borrower is responsible for ensuring that the project is prepared and implemented so that it meets all applicable requirements of the ESSs in a manner and timeframe agreed with the Bank. The Borrower will ensure that any entity involved in implementing the project supports all obligations and commitments of the Borrower in accordance with the requirements of the ESSs and the specific conditions of the legal agreement, including the ESCP. Contractors retained by or acting on behalf of the Borrower or an implementing agency are considered to be under the direct control of the Borrower.

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4. Borrowers will manage environmental and social risks and impacts of the project throughout the project life-cycle in a systematic manner, proportionate to the nature and scale of the project and the potential risks and impacts.

5. In assessing, developing and implementing a project supported by Investment Project Financing, the Borrower may, where appropriate, agree with the Bank to use all or part of the Borrower's national environmental and social framework to address the risks and impacts of the project, providing such use will enable the project to achieve objectives materially consistent with the ESSs.

6. ESS1 includes the following annexes, which form part of ESS1, and set out certain requirements in more detail:

- Annex 1: Environmental and Social Assessment;
- Annex 2: Environmental and Social Commitment Plan; and
- Annex 3: Management of Contractors.

**Objectives**

- To identify, evaluate and manage the environment and social risks and impacts of the project in a manner consistent with the ESSs.
- To adopt a mitigation hierarchy approach to:
  - (a) Anticipate and avoid risks and impacts;
  - (b) Where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels;

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(c) Once risks and impacts have been minimized or reduced, mitigate; and  
(d) Where significant residual impacts remain, compensate for or offset them, where technically<sup>2</sup> and financially<sup>3</sup> feasible.

- To adopt differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing development benefits and opportunities resulting from the project.
- To utilize national environmental and social institutions, systems, laws, regulations and procedures in the assessment, development and implementation of projects, whenever appropriate.
- To promote improved environmental and social performance, in ways which recognize and enhance Borrower capacity.

Footnote 2. Technical feasibility is based on whether the proposed measures and actions can be implemented with commercially available skills, equipment, and materials, taking into consideration prevailing local factors such as climate, geography, demography, infrastructure, security, governance, capacity, and operational reliability.

Footnote 3. Financial feasibility is based on relevant financial considerations, including relative magnitude of the incremental cost of adopting such measures and actions compared to the project's investment, operating, and maintenance costs, and on whether this incremental cost could make the project nonviable for the Borrower.

**Scope of Application**

7. ESS1 applies to all projects<sup>4, 5</sup> supported by the Bank<sup>6</sup> through Investment Project Financing.<sup>7</sup>

Footnote 4. These are projects to which OP/BP 10.00 Investment Project Financing applies. The World Bank Environmental and Social Policy for Investment Project Financing and ESSs do not apply to operations supported by Development Policy lending (for which the environmental and social provisions are set out in OP/BP 8.60 Development Policy Lending), or those supported by Program-for-Results Financing (for which the environmental and social provisions are set out in OP/BP 9.00 Program-for-Results Financing).

Footnote 5. These projects may include technical assistance supported by the Bank through Investment Project Financing, whether provided through a stand-alone project or as part of a project. The requirements set out in paragraphs 14-18 of ESS1 will be applied to technical assistance activities as relevant and appropriate to the nature of the risks and impacts. The terms of reference, work plans or other documents defining the scope and outputs of technical assistance activities will be drafted so that the advice and other support provided is consistent with ESSs 1-10. Activities implemented by the Borrower following the completion of the project that are not financed by the Bank, or activities that are not directly related to the technical assistance, are not subject to the World Bank Environmental and Social Policy for Investment Project Financing.

Footnote 6. As set out in the World Bank Environmental and Social Policy for Investment Project Financing, paragraph 7, the Bank will only support projects that are consistent with, and within the boundaries of, the Bank's Articles of Agreement.

Footnote 7. Where the project involves the provision of a guarantee under OP 10.00, the scope of application of the ESSs will depend on the activities or commitments covered by the guarantee.

**GN7.1 (Footnote 5).** IPF may be used by Borrowers to finance technical assistance. Technical assistance is normally provided through consulting services may take different forms. For example, it can be used for preparing technical or engineering designs or feasibility studies relating to the construction of infrastructure, or for drafting policies, strategies, laws or regulations which may have environmental or social impacts.

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**GN7.2.** How the ESSs apply to IPF technical assistance depends on its nature, purpose and risks. For example, an IPF might finance technical assistance to prepare a feasibility study for a water treatment plant that requires acquisition of land on which there are informal settlers. In such a case, ESS5 would be applicable. It is thus important for the Borrower to understand the environmental and social risks and impacts of the work that the technical assistance will support. This guides the use of the relevant ESSs and the development of the technical assistance terms of reference, work plans and outputs.

**GN7.3.** The ESF Policy does not replace OP/BP 4.03, *Performance Standards for Private Sector Activities* (see Footnote 1 of the ESF Policy). Consequently, unless the Borrower objects, projects or components of projects that meet the criteria set forth in OP 4.03 may be governed by the WB Performance Standards set forth in OP 4.03 instead of the ESF.

**GN7.4.A** Borrower may be a sovereign or non-sovereign party, and this affects what obligations the Borrower may assume. A Borrower's ability to achieve environmental or social outcomes may depend on the activities of other government agencies or third parties, such as a government agency acting as a regulator, or contractual party or the operator of an Associated Facility. The Borrower often has varying levels of control or influence over such parties. Where possible, the environmental and social assessment of the project would identify and evaluate the potential limitations on the Borrower in this regard and consider ways to support the desired environmental and social outcomes.

8. The term "project" refers to the activities for which the Bank financing referred to in paragraph 7 is sought by a Borrower and as defined in the legal agreement between the Borrower and the Bank.<sup>8</sup>

Footnote 8. The scope of activities for which Investment Project Finance can be provided, together with the approval process, is set out in OP 10.00.

**GN8.1.** A clear description of the activities of the proposed IPF project provides the basis of the assessment of potential environmental and social risks and impacts and the application of the ESSs. The description of project activities may evolve during project preparation and this may affect the assessment of risks and impacts. The legal agreement between the Bank and Borrower describes the activities financed by the Bank.

9. Where the Bank is jointly financing a project with other multilateral or bilateral funding agencies,<sup>9</sup> the Borrower will cooperate with the Bank and such agencies in order to agree on a common approach for the assessment and management of environmental and social risks and impacts of the project. A common approach will be acceptable, provided that such approach will enable the project to achieve objectives materially consistent with the ESSs.<sup>10</sup> The Borrower will be required to apply the common approach to the project.

Footnote 9. Such agencies will include IFC and MIGA.

Footnote 10. In determining whether the common approach or the requirements referred to in paragraphs 9, 12 and 13 are acceptable, the Bank will take into account the policies, standards and implementation procedures of the multilateral or bilateral funding agencies. The measures and actions that have been agreed under the common approach will be included in the ESCP.

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**GN9.1.** The concept of the *common approach* is commonly used when the Bank is jointly financing a project with other donors and is a way to describe the approach and requirements agreed by funding agencies and the Borrower for the assessment and management of environmental and social risks and

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impacts of a proposed project. It aims to facilitate cooperation between the Borrower, the Bank and other financing agencies, avoid duplication and encourage efficient use of resources for the project. The Environmental and Social Commitment Plan (ESCP) describes the use of the *common approach* so that those implementing the project clearly understand which measures and actions have been agreed to under the approach.

**GN9.2.** It is important for the Borrower to share with the Bank information on existing collaboration with other funding agencies on the projects for which it seeks IPF. This allows the Bank to determine whether an already agreed approach to assessment and management of environmental and social risks can enable the project to achieve objectives materially consistent with the ESSs.

10. *ESS1 also applies to all Associated Facilities. Associated Facilities will meet the requirements of the ESSs, to the extent that the Borrower has control or influence over such Associated Facilities.<sup>11</sup>*

*Footnote 11. The Borrower will be required to demonstrate the extent to which it cannot exercise control or influence over the Associated Facilities by providing details of the relevant considerations, which may include legal, regulatory and institutional factors.*

**GN10.1.** The nature of control or influence is complex, and goes beyond a simple understanding of ownership, regulatory authority or whether the Associated Facilities are in a sovereign territory. As indicated by GN Footnote 11, there may be many reasons why a Borrower cannot exercise control or influence. For example, the entity implementing the project, such as a Ministry of Water and Sanitation, may have no control over an Associated Facility may be in another country.

**GN10.2.** Where the Borrower has limited or no control or influence over other entities or third parties, the environmental and social assessment would identify these parties and their roles with respect to the Associated Facilities. The risks and impacts that the Associated Facilities, and such lack of control or influence, present to the project would be considered in the assessment of the environmental and social risks and impacts of the project (as per paragraph 32 of ESS1).

11. *For the purpose of this ESS, the term "Associated Facilities" means facilities or activities that are not funded as part of the project and are: (a) directly and significantly related to the project; and (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist.<sup>12</sup>*

*Footnote 12. For facilities or activities to be Associated Facilities, they must meet all three criteria.*

**GN11.1.** There are many circumstances in which other facilities or activities are relevant for a project to function properly but are not funded as part of the project. In complex infrastructure projects, various facilities and activities may be required for the project to function fully, but not all of these may satisfy the definition of Associated Facilities. To be an Associated Facility, all 3 criteria of paragraph 11 of ESS1 should be met.

**GN11.2.** "Directly and significantly related" means that the facilities or activities may be physically, geographically, or functionally related to the project in a direct and significant way. For example, a transmission line may be directly and significantly related to a power plant.

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**GN11.3.** Facilities or activities that are “carried out, or planned to be carried out, contemporaneously with the project,” do not need to exist or occur in precisely the same period of time as the proposed project. The most common period of time for consideration of Associated Facilities would be from project identification to the project completion.

**GN11.4.** For the third criterion that the facilities or activities are “necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist”, the key consideration is whether the facilities or activities are both essential for the project and dependent on it.

12. Where:

- (a) A common approach has been agreed for the project, the common approach will apply to the Associated Facilities;
- (b) Associated Facilities are being funded by other multilateral or bilateral funding agencies, the Borrower may agree with the Bank to apply the requirements of such other agencies to the Associated Facilities, provided that such requirements will enable the project to achieve objectives materially consistent with the ESSs.

13. Where the Bank is financing a project involving a Financial Intermediary (FI), and other multilateral or bilateral funding agencies<sup>13</sup> have already provided financing to the same FI, the Borrower may agree with the Bank to rely on the requirements of such other agencies for the assessment and management of environmental and social risks and impacts of the project, including the institutional arrangements already established by the FI, provided that, such requirements will enable the project to achieve objectives materially consistent with the ESSs.

Footnote 13. Such agencies will include IFC and MIGA.

**GN13.1.** ESS9 sets out the approach of the ESF to financial intermediaries.

**Requirements**

14. The Borrower will assess, manage and monitor the environmental and social risks and impacts of the project throughout the project life-cycle so as to meet the requirements of the ESSs in a manner and within a timeframe acceptable to the Bank.<sup>14</sup>

Footnote 14. In establishing the manner and an acceptable timeframe, the Bank will take into account the nature and significance of the potential environmental and social risks and impacts, the timing for development and implementation of the project, the capacity of the Borrower and other entities involved in developing and implementing the project, and the specific measures and actions to be put in place or taken by the Borrower to address such risks and impacts.

**GN14.1** Each ESS sets out specific requirements that can help the Borrower to assess, manage and monitor the environmental and social risks and impacts throughout the project life-cycle. The ways in which the requirements of the ESSs are met and the time frame for doing so differ for each project, reflecting a range of considerations, such as those set out in ESS1, Footnote 14. Based on these, the Borrower and the Bank would agree on the manner the risks and impacts of the project will be assessed and managed, and appropriate timing for this assessment. The type of project, the schedule for project implementation and the entities that may be involved in implementing the project are key factors in determining how the requirements of the ESSs will be met.

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15. *The Borrower will:*
- (a) *Conduct an environmental and social assessment of the proposed project, including stakeholder engagement;*
  - (b) *Undertake stakeholder engagement and disclose appropriate information in accordance with ESS10;*
  - (c) *Develop an ESCP, and implement all measures and actions set out in the legal agreement including the ESCP; and*
  - (d) *Conduct monitoring and reporting on the environmental and social performance of the project against the ESSs.*

**GN15.1.** Paragraph 15 summarizes the key responsibilities of the Borrower under ESSs:

- (a) **Environmental and social assessment** is the process of analysis and planning used by the Borrower to identify, assess and manage the potential environmental and social risks and impacts of a project. Mitigation measures are identified in accordance with the mitigation hierarchy. Paragraphs 23-35 of ESS1 and Annex 1 of ESS1 provide further information on environmental and social assessment.
- (b) **Stakeholder engagement** is an important aspect of developing an environmentally and socially sustainable project. ESS10 emphasizes the importance of open engagement with stakeholders, and providing opportunities for stakeholders' views to be considered in the project design and during implementation. Further information on identifying stakeholders, preparing stakeholder engagement plans, information disclosure and consultation are provided in ESS10.
- (c) The **Environmental and Social Commitment Plan (ESCP)** is a summary developed by the Borrower which identifies the material measures and actions that will be carried out in an agreed timeframe. Paragraphs 36-44 of ESS1 and Annex 2 of ESS1 provide further information on the ESCP.
- (d) **Monitoring and reporting** provide the basis for tracking performance of the project and verifying compliance with the ESCP and the requirements of the ESSs. They also help identify actions or measures that may be needed to remedy or improve the environmental and social performance of a project. The extent and mode of monitoring and reporting reflect the nature of the project and the significance of its environmental and social risks and impacts. Paragraphs 45-50 of ESS1 provide further information on monitoring and reporting.

16. *Where the ESCP requires the Borrower to plan or take specific measures and actions over a specified timeframe to avoid, minimize, reduce or mitigate specific risks and impacts of the project, the Borrower will not carry out any activities in relation to the project that may cause material adverse environmental or social risks or impacts until the relevant plans, measures or actions have been completed in accordance with the ESCP.*

17. *If the project comprises or includes existing facilities or existing activities that do not meet the requirements of the ESSs at the time of Board approval, the Borrower will adopt and implement measures*

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*satisfactory to the Bank so that specific aspects of such facilities and activities meet the requirements of the ESSs in accordance with the ESCP.*

**GN17.1.** When a project includes facilities or activities that already exist, measures may be needed to enable the facilities or activities to meet the ESS requirements. It is recommended in such cases to focus on aspects that present significant risks. Measures to be implemented by the project are incorporated into the ESCP.

*18. The project will apply the relevant requirements of the Environmental Health and Safety Guidelines (EHSGs). When host country requirements differ from the levels and measures presented in the EHSGs, the Borrower will be required to achieve or implement whichever is more stringent. If less stringent levels or measures than those provided in the EHSGs are appropriate in view of the Borrower's limited technical or financial constraints or other specific project circumstances, the Borrower will provide full and detailed justification for any proposed alternatives through the environmental and social assessment. This justification must demonstrate, to the satisfaction of the Bank, that the choice of any alternative performance level is consistent with the objectives of the ESSs and the applicable EHSGs, and is unlikely to result in any significant environmental or social harm.*

**A. Use of Borrower's Environmental and Social Framework**

*19. When a project is proposed for Bank support, the Borrower and the Bank will consider whether to use all, or part, of the Borrower's ES Framework in the assessment, development and implementation of a project. Such use may be proposed provided this is likely to address the risks and impacts of the project, and enable the project to achieve objectives materially consistent with the ESSs.*

*20. If the Borrower and the Bank propose to use all, or part, of the Borrower's ES Framework, the Bank will review the Borrower's ES Framework<sup>15</sup> in accordance with the requirement of paragraph 19. The Borrower will provide information to the Bank in connection with the assessment.<sup>16</sup>*

*Footnote 15. The Borrower's ES Framework will include those aspects of the country's policy, legal and institutional framework, consisting of its national, subnational, or sectoral implementing institutions and applicable laws, regulations, rules and procedures and implementation capacity relevant to the environmental and social risks and impacts of the project. Where there are inconsistencies or lack of clarity within the Borrower's ES Framework as to relevant authorities or jurisdiction, these will be identified and discussed with the Borrower. The aspects of the Borrower's existing ES Framework that are relevant will vary from project to project, depending on such factors as the type, scale, location and potential environmental and social risks and impacts of the project and the role and authority of different institutions.*

*Footnote 16. The information provided by the Borrower will assist in determining whether and to what extent the Borrower's ES Framework can be used to enable the project to address the risks and impacts of the project, and achieve objectives materially consistent with the ESSs. The Borrower will provide to the Bank recent studies and assessments conducted by the Borrower or reputable third parties, including on other projects developed in the country, to the extent these are relevant to the proposed project.*

**GN19.1.** Use of a Borrower's environmental and social (ES) Framework aims to strengthen the Borrower's approach to managing environmental and social risks and impacts. Where environmental and social risks and impacts are assessed and managed through national processes and requirements, it

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enhances ownership and capacity, builds institutions over the long term, and provides opportunities for collaboration and learning. It also helps to avoid duplication of Borrower and Bank requirements.

**GN20.1.** If it is proposed to use the Borrower's ES Framework, the Bank conducts its own assessment of the relevant aspects of the Borrower's ES Framework. The assessment is conducted in reference to the proposed project and considers whether using the Borrower's ES Framework is likely to address the environmental and social risks and impacts of the project and support the design and implementation of mitigation measures consistent with the mitigation hierarchy, and enable the project to achieve objectives materially consistent with the ESSs. Depending on the significance of specific risks and impacts of the project, the Bank's assessment may involve a more detailed analysis against the relevant specific requirements of the ESSs. The Bank discloses a summary of the key findings from its assessment on the bank's website.

**GN20.2.** The scope of assessment, and the aspects of the Borrower's ES Framework to be reviewed, vary from project to project, depending on relevant factors including the type, scale and complexity of the project and its potential environmental and social risks and impacts (including, but not limited to, those identified in the ESSs). There is no single, uniform approach to assessing Borrowers' ES Frameworks. Different country and project contexts call for different approaches. The assessment would consider the following, among other things, and based on information available to the Bank:

- (a) The country's policy, legal and institutional framework, as these are relevant to the specific environmental and social risks and impacts of the project;
- (b) Laws, regulations, rules and procedures (including permits and approval requirements) applicable to the project, including regional and local requirements that are relevant to the environmental and social risks and impacts of the project;
- (c) Inconsistencies, lack of clarity or conflict as to relevant authorities or jurisdiction, including differences between national and regional/local authorities or jurisdictions;
- (d) Available experience with the Bank or other multilateral or bilateral financing agencies and the performance of the Borrower and the national, subnational, sectoral and local institutions involved in the preparation and/or implementation of similar previous projects; and
- (e) Technical and institutional capacity of the Borrower and relevant national, subnational or sectoral implementing institutions or agencies related to the preparation and implementation of the project.

**GN20.3.** To inform the assessment as well as design of measures needed to address any identified gaps, Bank may need to discuss with relevant stakeholders identified with input from the Borrower. Such consultations may include discussions with government officials and other development partners, engagement with civil society and project affected persons.

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**GN20.4.** While each assessment is specific to the proposed project, it also takes into account available information regarding the Borrower's ES Framework that is relevant to the proposed project, including assessments from previous projects or analytical work. Where the Bank has conducted an overview assessment of the Borrower's existing policy, legal and institutional framework for addressing environmental and social risks and impacts, the Bank may take the conclusions of such assessment into account, providing it is still applicable to the Borrower's ES Framework, pertinent to the project under preparation and the Bank is not aware of any material change to the conclusions reached.

21. *If the assessment identifies gaps in the Borrower's ES Framework, the Borrower will work with the Bank to identify measures and actions to address such gaps. Such measures and actions may be implemented during project preparation or project implementation and will include, where necessary, measures and actions to address any capacity development issues pertaining to the Borrower, any relevant national, subnational or sectoral implementing institution, and any implementing agency. The agreed measures and actions, together with the timeframes for their completion, will form part of the ESCP.*

22. *The Borrower will take all actions necessary to maintain the Borrower's ES Framework, as well as acceptable implementation practices, track record, and capacity, in accordance with the measures and actions identified in the ESCP, throughout the project life-cycle. The Borrower will notify and discuss with the Bank any significant changes in the Borrower's ES Framework that may affect the project.<sup>17</sup> If the Borrower's ES Framework is changed in a manner inconsistent with the requirement of paragraph 19 and the ESCP, the Borrower will carry out, as appropriate, additional assessment and stakeholder engagement in accordance with the ESSs, and propose changes, for approval by the Bank, to the ESCP.*

*Footnote 17. If, in the opinion of the Bank, such changes serve to improve the Borrower's ES Framework, the Borrower will apply such changes to the project.*

**B. Environmental and Social Assessment**

23. *The Borrower will carry out an environmental and social assessment<sup>18</sup> of the project to assess the environmental and social risks and impacts of the project throughout the project life-cycle.<sup>19</sup> The assessment will be proportionate to the potential risks and impacts of the project, and will assess, in an integrated way, all relevant direct,<sup>20</sup> indirect<sup>21</sup> and cumulative<sup>22</sup> environmental and social risks and impacts throughout the project life-cycle, including those specifically identified in ESSs2–10.*

*Footnote 18. The Borrower, in consultation with the Bank, will identify and use appropriate methods and tools, including scoping, environmental and social analyses, investigations, audits, surveys and studies, to identify and assess the potential environmental and social risks and impacts of the proposed project. These methods and tools will reflect the nature and scale of the project, and will include, as appropriate, a combination (or elements of) the following: environmental and social impact assessment (ESIA); environmental audit; hazard or risk assessment; social and conflict analysis; environmental and social management plan (ESMP); environmental and social management framework (ESMF); regional or sectoral EIA; strategic environmental and social assessment (SESA). Specific features of a project may require the Borrower to utilize specialized methods and tools for assessment, for example a Cultural Heritage Management Plan. Where the project is likely to have sectoral or regional impacts, a sectoral or regional EIA will be required.*

*Footnote 19. This may include preconstruction, construction, operation, decommissioning, closure and reinstatement/restoration.*

*Footnote 20. A direct impact is an impact which is caused by the project, and occurs contemporaneously in the location of the project.*

*Footnote 21. An indirect impact is an impact which is caused by the project and is later in time or farther removed*

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*in distance than a direct impact, but is still reasonably foreseeable, and will not include induced impacts.*

*Footnote 22. The cumulative impact of the project is the incremental impact of the project when added to impacts from other relevant past, present and reasonably foreseeable developments as well as unplanned but predictable activities enabled by the project that may occur later or at a different location. Cumulative impacts can result from individually minor but collectively significant activities taking place over a period of time. The environmental and social assessment will consider cumulative impacts that are recognized as important on the basis of scientific concerns and/or reflect the concerns of project-affected parties. The potential cumulative impacts will be determined as early as possible, ideally as part of project scoping.*

**GN23.1.** The environmental and social assessment starts as early as possible during project identification and preparation. The assessment informs project design.

**GN23.2.** Environmental and social risks and impacts may be different at different stages of the project, depending on the activities that are being conducted. The environmental and social assessment should look at each stage and identify the related environmental and social risks and impacts and their appropriate mitigation measures.

**GN23.3.** Different methods and tools can be used to identify and assess the environmental and social risks and impacts of a project. These can vary depending on the baseline data available and the nature and significance of the environmental and social risks and impacts. Footnote 18 and Annex 1 of ESS1 identify methods and tools that are commonly used.

**GN23.4 (Footnote 21).** Induced impacts are indirect economic impacts that may be generated by a project, both positive and negative, that are not associated with the physical footprint of the project, and not a direct result of the project's physical impact/activities.

*24. The environmental and social assessment will be based on current information, including an accurate description and delineation of the project and any associated aspects, and environmental and social baseline data at an appropriate level of detail sufficient to inform characterization and identification of risks and impacts and mitigation measures. The assessment will evaluate the project's potential environmental and social risks and impacts; examine project alternatives; identify ways of improving project selection, siting, planning, design and implementation in order to apply the mitigation hierarchy for adverse environmental and social impacts and seek opportunities to enhance the positive impacts of the project. The environmental and social assessment will include stakeholder engagement as an integral part of the assessment, in accordance with ESS10.*

*25. The environmental and social assessment will be an adequate, accurate, and objective evaluation and presentation of the risks and impacts, prepared by qualified and experienced persons. For High and Substantial Risk projects, as well as situations in which the Borrower has limited capacity, the Borrower will retain independent specialists to carry out the environmental and social assessment.*

**GN25.1.** It is important when engaging independent specialists for the assessment that they have the relevant technical expertise, competency and substantive experience in projects with similar environmental and social risks and impacts. It is also appropriate to engage independent specialists to undertake the parts of an assessment that address specific risks and impacts of concern, such as biodiversity or resettlement.

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**GN25.2.** 'Independent' means that the specialist is able to provide professional, objective and impartial advice, without consideration of future work, and avoiding conflicts with other assignments or their own business or personal interests. Such independence supports the objectivity of the environmental and social assessment, without regard to vested interests and without reason to influence the outcome of the assessment. In certain circumstances, where the specialist has been involved in the preparation, design and implementation of the project (for example, early feasibility studies), they may be still engaged in conducting the assessment if the Borrower can demonstrate to the satisfaction of the Bank that there is no conflict of interest, and that to engage such a specialist would be of benefit for the assessment.

26. *The Borrower will ensure that the environmental and social assessment takes into account in an appropriate manner all issues relevant to the project, including: (a) the country's applicable policy framework, national laws and regulations, and institutional capabilities (including implementation) relating to environment and social issues; variations in country conditions and project context; country environmental or social studies; national environmental or social action plans; and obligations of the country directly applicable to the project under relevant international treaties and agreements; (b) applicable requirements under the ESSs; and (c) the EHSs, and other relevant Good International Industry Practice (GIIP).<sup>23</sup> The assessment of the project, and all proposals contained in the assessment, will be consistent with the requirements of this paragraph.*

*Footnote 23. Good International Industry Practice (GIIP) is defined as the exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally or regionally. The outcome of such exercise should be that the project employs the most appropriate technologies in the project-specific circumstances.*

**GN26.1.** Consideration of national law requirements as they relate to the design and implementation of the project, and the identification of mitigation measures is particularly important. Where the Borrower has entered into international obligations or treaties that are directly applicable to the project, the assessment should consider the way in which these could inform project design and implementation.

**GN26.2.** Sometimes Borrowers have begun to prepare a project prior to the Bank's involvement, where environmental and social assessments have already been conducted and environmental and social risk management documents (such as an environmental management plan) have been prepared and approved by national authorities. In such cases, the Bank would review the environmental and social assessment process and related documents for consistency with the ESS requirements and would help the Borrower to address gaps, such as preparation of supplemental assessments, focused studies or additional environmental and social documentation.

27. *The environmental and social assessment will apply a mitigation hierarchy,<sup>24</sup> which will:*  
*(a) Anticipate and avoid risks and impacts;*  
*(b) Where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels;*  
*(c) Once risks and impacts have been minimized or reduced, mitigate;<sup>25</sup> and*  
*(d) Where significant residual impacts remain, compensate for or offset them, where technically and financially feasible.<sup>26</sup>*

*Footnote 24. The mitigation hierarchy is further discussed and specified in the context of ESSs2-10, where relevant.*

*Footnote 25. The requirement to mitigate impacts may include measures to assist affected parties to improve or*

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*at least restore their livelihoods as relevant in a particular project setting.*

*Footnote 26. The Borrower will make reasonable efforts to incorporate the costs of compensating and/or offsetting for the significant residual impacts as part of project costs. The environmental and social assessment will consider the significance of such residual impacts, the long-term effect of these on the environment and project-affected people, and the extent to which they are considered reasonable in the context of the project. Where it is determined that it is not technically or financially feasible to compensate or offset for such residual impacts, the rationale for this determination (including the options that were considered) will be set out in the environmental and social assessment.*

**GN27.1.** The mitigation hierarchy represents a systematic and phased approach to addressing the risks and impacts of a proposed project. The environmental and social assessment would use the hierarchy to manage environmental and social risks and impacts through early identification of possible mitigation measures.

**GN27.2.** The mitigation hierarchy consists of a series of sequential steps that are applicable to risks and impacts identified at any stage of the project. The steps are as follows:

- **Step 1. Anticipation and Avoidance:** Measures to anticipate or avoid impacts could include design and spatial or temporal placement of infrastructure. For example, this might involve changing the route of a road or the location of a wind farm to avoid a national park or the need to resettle people. Avoidance is often the most effective way of reducing potential adverse environmental and social impacts, though it might have additional costs. However, it usually means considering risks and impacts in the early stages of project design.
- **Step 2. Minimization or reduction:** Measures would seek to reduce the size, duration, intensity or extent of impacts that cannot be avoided. For example, this could include reducing the physical footprint of a project or introducing energy efficiency measures. Selection of the type of infrastructure, equipment, technology and operations can also minimize impacts.
- **Step 3. Mitigation:** Measures to mitigate environmental and social risks and impacts, for example, in the case of a road project, could include building wildlife crossings, or in the case of resettlement, compensation and livelihood restoration measures as described in ESS5.

Steps 1 to 3 (avoidance, minimization and mitigation) are undertaken first to address the environmental and social risks and impacts of a project. If significant residual impacts remain that cannot be mitigated, then Step 4 is taken. It is important to apply Steps 1-3 insofar as possible before proceeding to Step 4 – Compensation and/or Offset.

**GN27.3.** If, as part of the environmental and social assessment, a project site, design or technology is proposed that has higher environmental or social risks and impacts than other technically and/or financially feasible options, the rationale and decision is documented, for example through an economic cost-benefit analysis, in the environmental and social assessment.

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28. *The environmental and social assessment, informed by the scoping of the issues, will take into account all relevant environmental and social risks and impacts of the project, including:*

- (a) Environmental risks and impacts, including: (i) those defined by the EHSs; (ii) those related to community safety (including dam safety and safe use of pesticides); (iii) those related to climate change and other transboundary or global risks and impacts; (iv) any material threat to the protection, conservation, maintenance and restoration of natural habitats and biodiversity; and (v) those related to ecosystem services<sup>27</sup> and the use of living natural resources, such as fisheries and forests;*
- (b) Social risks and impacts, including: (i) threats to human security through the escalation of personal, communal or inter-state conflict, crime or violence; (ii) risks that project impacts fall disproportionately on individuals and groups who, because of their particular circumstances, may be disadvantaged or vulnerable;<sup>28</sup> (iii) any prejudice or discrimination toward individuals or groups in providing access to development resources and project benefits, particularly in the case of those who may be disadvantaged or vulnerable; (iv) negative economic and social impacts relating to the involuntary taking of land or restrictions on land use; (v) risks or impacts associated with land and natural resource tenure and use,<sup>29</sup> including (as relevant) potential project impacts on local land use patterns and tenurial arrangements, land access and availability, food security and land values, and any corresponding risks related to conflict or contestation over land and natural resources; (vi) impacts on the health, safety and well-being of workers and project-affected communities; and (vii) risks to cultural heritage.*

*Footnote 27. Ecosystem services are the benefits that people derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems and which may include food, freshwater, timbers, fibers, medicinal plants; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes and which may include surface water purification, carbon storage and sequestration, climate regulation, protection from natural hazards; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems and which may include natural areas that are sacred sites and areas of importance for recreations and aesthetic enjoyment; and (iv) supporting services, which are the natural processes that maintain the other services and which may include soil formation, nutrient cycling and primary production.*

*Footnote 28. Disadvantaged or vulnerable refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. This will take into account considerations relating to age, including the elderly and minors, and including in circumstances where they may be separated from their family, the community or other individuals upon which they depend.*

*Footnote 29. Due to the complexity of tenure issues in many contexts, and the importance of secure tenure for livelihoods, careful assessment and design is needed to help ensure that projects do not inadvertently compromise existing legitimate rights (including collective rights, subsidiary rights and the rights of women) or have other unintended consequences, particularly where the project supports land titling and related issues. In such circumstances, the Borrower will at a minimum demonstrate to the Bank's satisfaction that applicable laws and procedures, along with project design features (a) provide clear and adequate rules for the recognition of relevant land tenure rights; (b) establish fair criteria and functioning, transparent and participatory processes for resolving competing tenure claims; and (c) include genuine efforts to inform affected people about their rights and provide access to impartial advice.*

**GN28.1.** Risks and impacts identified in paragraph 28 of ESS1 and in ESSs2–10, while wide-ranging, can never be exhaustive. It is advisable to carefully scope the project for environmental and social risks and

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impacts that are specific to it, and to identify risks and impacts that are not covered in ESS1-10. Annex 1 of ESS1 provides additional details on how to conduct the environmental and social assessment, and identifies methods and tools that may be used.

**GN28.2.** Scoping of project issues means identifying the extent and complexity of potential environmental and social risks and impacts, including the socio-economic characteristics of people in the project area. For projects where the scoping indicates significant adverse environmental and social impacts, it is good practice for the environmental and social assessment to focus on identifying baseline indications and available baseline data, identifying and analyzing projected impacts to the extent possible, and developing appropriate mitigation measures. Baseline data describes relevant existing physical, biological, and socio-economic conditions, and cultural heritage. It is important for baseline data to be up-to-date, as rapidly changing situations, such as in-migration of people in anticipation of a project or lack of data on disadvantaged and vulnerable groups within a community, can affect the success of social mitigation measures. Socio-economic analysis may be used to: (a) understand the characteristics and dynamics of the project area; (b) establish the conditions of people that may be affected by the project; (c) identify events, including potential for conflict, that could affect project implementation; and (d) identify opportunities for enhancing project development benefits.

29. *Where the environmental and social assessment of the project identifies specific individuals or groups as disadvantaged or vulnerable, the Borrower will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing any development benefits and opportunities resulting from the project.*

**GN29.1.** Several of the ESSs address specific issues that may be relevant to individuals or groups, and suggest ways in which the risks and impacts may be mitigated. For example, community health and safety is addressed in ESS4 and land acquisition and involuntary resettlement in ESS5.

30. *For projects involving multiple small subprojects,<sup>30</sup> that are identified, prepared and implemented during the course of the project, the Borrower will carry out appropriate environmental and social assessment of subprojects, and prepare and implement such subprojects, as follows:*  
(a) *High Risk subprojects, in accordance with the ESSs;*  
(b) *Substantial Risk, Moderate Risk and Low Risk subprojects, in accordance with national law and any requirements of the ESSs that the Bank deems relevant to such subprojects.<sup>31</sup>*

*Footnote 30. Paragraphs 30 to 31 apply to a Bank-supported project with multiple small subprojects, as in the case of community-driven development projects, projects involving matching grant schemes, or similar projects designated by the Bank. These provisions do not apply to FI subprojects which are addressed in ESS9.*

*Footnote 31. Where subprojects are likely to have minimal or no adverse environmental or social risks and impacts, such subprojects do not require further environmental and social assessment following the initial scoping.*

31. *If the risk rating of a subproject increases to a higher risk rating, the Borrower will apply the relevant requirements of the ESSs<sup>32</sup> and the ESCP will be updated as appropriate.*

*Footnote 32. The 'requirements of the ESSs' will relate to the reasons for which the risk rating has increased.*

32. *The environmental and social assessment will also identify and assess, to the extent appropriate, the*

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*potential environmental and social risks and impacts of Associated Facilities. The Borrower will address the risks and impacts of Associated Facilities in a manner proportionate to its control or influence over the Associated Facilities. To the extent that the Borrower cannot control or influence the Associated Activities to meet the requirements of the ESSs, the environmental and social assessment will also identify the risks and impacts the Associated Facilities may present to the project.*

33. *For projects that are High Risk or contentious, or that involve serious multidimensional environmental or social risks or impacts, the Borrower may be required to engage one or more internationally recognized independent experts. Such experts may, depending on the project, form part of an advisory panel or be otherwise employed by the Borrower, and will provide independent advice and oversight to the project.<sup>33</sup>*

*Footnote 33. This requirement relates to independent advice and oversight of such projects, and is not related to circumstances in which the Borrower will be required to retain independent specialists to carry out environmental and social assessment, set out in paragraph 25.*

**GN 33.1.** Paragraph 33 refers to the engagement of internationally recognized independent experts in circumstances in which there is a need for a higher degree of independent advice to a project. The Bank and the Borrower work together to agree on the appropriate form that such independent advice and oversight could take the terms of reference for the assignment and the expertise and qualifications needed.

34. *The environmental and social assessment will also consider risks and impacts associated with the primary suppliers<sup>34</sup> as required by ESS2 and ESS6. The Borrower will address such risks and impacts in a manner proportionate to the Borrower's control or influence over its primary suppliers as set out in ESS2 and ESS6.*

*Footnote 34. Primary suppliers are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. Core functions of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.*

**GN34.1.** The requirements in paragraph 34 regarding primary suppliers apply when there is an ongoing, extended contractual relationship between the project and the supplier, through which the Borrower has the potential to influence the supplier's operational practices. The environmental and social assessment should consider the nature and potential sources of goods or materials that are required for critical project activities. This may include, for example, timber for railroad ties, gravel and asphalt for road construction.

**GN34.2.** Primary suppliers in relation to labor and biodiversity, are discussed in ESS2 (paragraphs 27 through 29) and its accompanying Guidance Note 2, and ESS6 (paragraph 30) and its accompanying Guidance Note 6.

35. *The environmental and social assessment will consider potentially significant project related transboundary and global risks and impacts, such as impacts from effluents and emissions, increased use or contamination of international waterways, emissions of short- and long-lived climate pollutants,<sup>35</sup> climate change mitigation, adaptation and resilience issues, and impacts on threatened or depleted migratory species and their habitats.*

*Footnote 35. This includes all greenhouse gases (GHGs) and black carbon (BC).*

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**GN35.1.** Transboundary impacts are impacts that extend to multiple countries, beyond the country in which the project is located, but are not global in nature. Examples include air pollution extending to surrounding countries and pollution of international waterways.

**C. Environmental and Social Commitment Plan**

36. *The Borrower will develop and implement an ESCP, which will set out measures and actions required for the project to achieve compliance with the ESSs over a specified timeframe.<sup>36</sup> The ESCP will be agreed with the Bank and will form part of the legal agreement. The draft ESCP will be disclosed as early as possible, and before project appraisal.*

*Footnote 36. The Bank will assist the Borrower in identifying appropriate methods and tools to assess and manage the potential environmental and social risks and impacts of the project, and developing the ESCP.*

37. *The ESCP will take into account the findings of the environmental and social assessment, the Bank's environmental and social due diligence, and the results of engagement with stakeholders. It will be an accurate summary of the material measures and actions required to avoid, minimize, reduce or otherwise mitigate the potential environmental and social risks and impacts of the project.<sup>37</sup> A completion date for each action will be specified in the ESCP.*

*Footnote 37. This will include any mitigation and performance improvement measures and actions already developed; actions that may be completed prior to approval by the Bank Board of Directors; actions required by national law and regulation that satisfy the requirements of the ESSs; actions to address gaps in the Borrower's ES Framework; and any other actions that are considered necessary for the project to achieve compliance with the ESSs. The gaps will be assessed by reference to what would be required in the relevant ESS.*

38. *Where a common approach<sup>38</sup> has been agreed, the ESCP will include all measures and actions that have been agreed by the Borrower to enable the project to meet the common approach.*

*Footnote 38. See paragraph 9.*

**GN38.1.** Annex 2 of ESS1 provides details of the recommended content of the ESCP, such as plans and measures, together with their costs and financing sources, timelines, and roles and responsibilities.

39. *The ESCP will set out a process that allows for adaptive management of proposed project changes or unforeseen circumstances. The process will set out how such changes or circumstances will be managed and reported and any necessary changes will be made to the ESCP and relevant management tools.*

**GN39.1.** Environmental and social assessments are expected to be conducted and mitigation measures proposed based on scoping or other experience-based assumptions about a project and its potential environmental and social risks and impacts. Throughout the project, changes can occur due to the variability of the natural or social environment, unforeseen project implementation challenges (for example, a mitigation measure may not work as envisaged), new information or new risks and impacts that occur during implementation.

**GN39.2.** Adaptive management is a systematic approach for improving management by learning from project outcomes and new information. It focuses on learning and adapting and can be applied to respond to project changes or unforeseen circumstances. For example, an adaptive management

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approach incorporates processes to monitor environmental and social mitigation measures compared to expected outcomes, to detect and learn from changes to those outcomes, and to make decisions to realign project outcomes with ESS objectives. Adaptive management processes are by design flexible and iterative, and support systematic monitoring and modifications. It is useful to define such learning and adaptation mechanisms during project preparation and then outline them in the ESCP.

40. *The Borrower will implement diligently the measures and actions identified in the ESCP in accordance with the timeframes specified, and will review the status of implementation of the ESCP as part of its monitoring and reporting.<sup>39</sup>*

Footnote 39. See Section D.

41. *The ESCP will describe the different management tools<sup>40</sup> that the Borrower will use to develop and implement the agreed measures and actions. These management tools will include, as appropriate, environmental and social management plans, environmental and social management frameworks, operational policies, operational manuals, management systems, procedures, practices and capital investments. All management tools will apply the mitigation hierarchy, and incorporate measures so that the project will meet the requirements of applicable laws and regulations and the ESSs<sup>41</sup> in accordance with the ESCP throughout the project life-cycle.*

Footnote 40. *The level of detail and complexity of the management tools will be proportionate to the project's risks and impacts, and the measures and actions identified to address such risks and impacts. They will take into account the experience and capacity of the parties involved with the project, including the implementing agencies, project-affected communities and other interested parties, and aim to support improved environmental and social performance.*

Footnote 41. Including relevant GIIP.

42. *The management tools will define desired outcomes in measurable terms (for example, against baseline conditions) to the extent possible, with elements such as targets and performance indicators that can be tracked over defined time periods.*

**GN42.1.** See paragraphs 45-50 of ESS1 on Project Monitoring and Reporting.

43. *Recognizing the dynamic nature of the project development and implementation process, the management tools will take a long-term and phased approach, and be designed to be responsive to changes in project circumstances, unforeseen events, regulatory changes and the results of monitoring and review.*

44. *The Borrower will notify the Bank promptly of any proposed changes to the scope, design, implementation or operation of the project that are likely to cause an adverse change in the environmental or social risks or impacts of the project. The Borrower will carry out, as appropriate, additional assessment and stakeholder engagement in accordance with the ESSs, and propose changes, for approval by the Bank, to the ESCP and relevant management tools, as appropriate, in accordance with the findings of such assessments and consultation. The updated ESCP will be disclosed.*

**GN44.1.** This paragraph refers to situations where changes in the project may cause additional adverse impacts, and is different to the process of adaptive management which is described in paragraph 39. For example, the Borrower may wish to acquire more land entailing resettlement, or to increase the

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capacity of a power station. In such circumstances, the Borrower may be required to conduct additional stakeholder engagement as set out in paragraph 53 and notify the Bank.

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**D. Project Monitoring and Reporting**

45. *The Borrower will monitor the environmental and social performance of the project in accordance with the legal agreement (including the ESCP). The extent and mode of monitoring will be agreed upon with the Bank, and will be proportionate to the nature of the project, the project's environmental and social risks and impacts, and compliance requirements. The Borrower will ensure that adequate institutional arrangements, systems, resources and personnel are in place to carry out monitoring. Where appropriate and as set out in the ESCP, the Borrower will engage stakeholders and third parties, such as independent experts, local communities or NGOs, to complement or verify its own monitoring activities. Where other agencies or third parties are responsible for managing specific risks and impacts and implementing mitigation measures, the Borrower will collaborate with such agencies and third parties to establish and monitor such mitigation measures.*

**GN45.1.** Monitoring helps track the environmental and social performance of the project, to see whether it is achieving its outcomes and meeting various environmental and social requirements, and whether additional measures need to be implemented. It is important to document the monitoring of mitigation measures set out in the ESCP. Paragraphs 45 to 50 of ESS1 describe the key elements of monitoring and reporting to the Bank on the monitoring results in accordance with the project's legal agreement, the ESCP and the ESSs. ESS10 provides information on how the monitoring program results can be communicated to stakeholders.

**GN45.2.** The project's environmental and social management plan (either a stand-alone document or as captured in the ESCP) sets out the monitoring objectives and types of monitoring for the project's environmental and social impacts and mitigation measures. Establishing monitoring systems, resources and personnel, and collecting baseline data early in project preparation, are useful for effective monitoring, reporting and managing environmental and social performance throughout the project. Indicators selected for monitoring are based on the project's baseline data.

**GN45.3.** If stakeholders and third parties (such as project-affected parties) are engaged to assist in monitoring activities, it is good practice to provide guidance and training as needed to enhance their capacity for such participatory monitoring.

46. *Monitoring will normally include recording information to track performance, and establishing relevant operational controls to verify and compare compliance and progress. Monitoring will be adjusted according to performance experience, as well as actions requested by relevant regulatory authorities and feedback from stakeholders such as community members. The Borrower will document monitoring results.*

47. *The Borrower will provide regular reports as set out in the ESCP (in any event, no less than annually) to the Bank of the results of the monitoring. Such reports will provide an accurate and objective record of project implementation, including compliance with the ESCP and the requirements of the ESSs. Such reports will include information on stakeholder engagement conducted during project implementation in accordance with ESS10. The Borrower, and the agencies implementing the project, will designate senior officials to be responsible for reviewing the reports.*

**GN47.1.** The Borrower and Bank agree on the format, content and frequency of the reports, which can vary depending on the nature of the project and the significance of the environmental and social risks,

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impacts and mitigation measures. Monitoring results may be made available to third parties involved in implementing the project and project affected parties, where appropriate.

48. *Based on the results of the monitoring, the Borrower will identify any necessary corrective and preventive actions, and will incorporate these in an amended ESCP or the relevant management tool, in a manner acceptable to the Bank. The Borrower will implement the agreed corrective and preventive actions in accordance with the amended ESCP or relevant management tool, and monitor and report on these actions.*

49. *The Borrower will facilitate site visits by Bank staff or consultants acting on the Bank's behalf.*

50. *The Borrower will notify the Bank promptly of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers. The notification will provide sufficient detail regarding such incident or accident, including any fatalities or serious injuries. The Borrower will take immediate measures to address the incident or accident and to prevent any recurrence, in accordance with national law and the ESSs.*

**E. Stakeholder Engagement and Information Disclosure**

51. *As set out in ESS10, the Borrower will continue to engage with, and provide sufficient information to stakeholders throughout the life-cycle of the project, in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.*

52. *For High Risk and Substantial Risk projects, the Borrower will provide to the Bank and disclose documentation, as agreed with the Bank, relating to the environmental and social risks and impacts of the project prior to project appraisal<sup>42</sup>. The documentation will address, in an adequate manner, the key risks and impacts of the project, and will provide sufficient detail to inform stakeholder engagement and Bank decision-making. The Borrower will provide to the Bank and disclose final or updated documentation as specified in the ESCP.*

*Footnote 42. In agreeing with the Borrower the documentation to be provided and disclosed prior to project appraisal and following Board approval, the Bank will take into account paragraphs 51 and 52 of the Policy.*

53. *If there are significant changes to the project that result in additional risks and impacts, particularly where these will impact project-affected parties, the Borrower will provide information on such risks and impacts and consult with project-affected parties as to how these risks and impacts will be mitigated. The Borrower will disclose an updated ESCP, setting out the mitigation measures.*

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**ESS1-ANNEX 1. Environmental and Social Assessment**

**A. General**

1. *The Borrower will undertake an environmental and social assessment to assess the environmental and social risks and impacts of a project throughout the project life-cycle. The term 'environmental and social assessment' is a generic term that describes the process of analysis and planning used by the Borrower to ensure the environmental and social impacts and risks of a project are identified, avoided, minimized, reduced or mitigated.*

2. *The environmental and social assessment is the primary means of ensuring projects are environmentally and socially sound and sustainable, and will be used to inform decision making. The environmental and social assessment is a flexible process, that can use different tools and methods depending on the details of the project and the circumstances of the Borrower (see paragraph 5 below).*

3. *The environmental and social assessment will be conducted in accordance with ESS1, and will consider, in an integrated way, all relevant direct, indirect and cumulative environmental and social risks and impacts of the project, including those specifically identified in ESS1-10. The breadth, depth, and type of analysis undertaken as part of the environmental and social assessment will depend on the nature and scale of the project, and the potential environmental and social risks and impacts that could result. The Borrower will undertake the environmental and social assessment at the scale and level of detail appropriate to the potential risks and impacts.<sup>1</sup>*

*Footnote 1. See ESS1 Section B.*

4. *The manner in which the environmental and social assessment will be conducted and the issues to be addressed will vary for each project. The Borrower will consult with the Bank to determine the process to be used, taking into account a number of activities, including scoping, stakeholder engagement, potential environmental and social issues and any specific issues raised between the Bank and Borrower. The environmental and social assessment will include and take into account coordination and consultation with affected people and other interested parties, particularly at an early stage, to ensure that all potentially significant environmental and social risks and impacts are identified and addressed.*

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5. *The different methods and tools used by the Borrower to carry out the environmental and social assessment and to document the results of such assessment, including the mitigation measures to be implemented, will reflect the nature and scale of the project*<sup>2</sup>. As specified in ESS1<sup>3</sup>, these will include, as appropriate, a combination or elements of the following:
- a. *Environmental and Social Impact Assessment (ESIA)*  
*Environmental and social impact assessment (ESIA) is an instrument to identify and assess the potential environmental and social impacts of a proposed project, evaluate alternatives, and design appropriate mitigation, management, and monitoring measures.*
  - b. *Environmental and Social Audit*  
*Environmental and social audit is an instrument to determine the nature and extent of all environmental and social areas of concern at an existing project or activities. The audit identifies and justifies appropriate measures and actions to mitigate the areas of concern, estimates the cost of the measures and actions, and recommends a schedule for implementing them. For certain projects, the environmental and social assessment may consist of an environmental or social audit alone; in other cases, the audit forms part of the environmental and social assessment.*
  - c. *Hazard or Risk Assessment*  
*Hazard or risk assessment is an instrument for identifying, analyzing, and controlling hazards associated with the presence of dangerous materials and conditions at a project site. The Bank requires a hazard or risk assessment for projects involving certain inflammable, explosive, reactive, and toxic materials when they are present in quantities above a specified threshold level. For certain projects, the environmental and social assessment may consist of the hazard or risk assessment alone; in other cases, the hazard or risk assessment forms part of the environmental and social assessment.*
  - d. *Cumulative Impact Assessment*  
*Cumulative Impact Assessment is an instrument to consider cumulative impacts of the project in combination with impacts from other relevant past, present and reasonably foreseeable developments as well as unplanned but predictable activities enabled by the project that may occur later or at a different location.*
  - e. *Social and Conflict Analysis*  
*Social and conflict analysis is an instrument that assesses the degree to which the project may (a) exacerbate existing tensions and inequality within society (both within the communities affected by the project and between these communities and others); (b) have a negative effect on stability and human security; (c) be negatively affected by existing tensions, conflict and instability, particularly in circumstances of war, insurrection and civil unrest.*
  - f. *Environmental and Social Management Plan (ESMP)*  
*Environmental and social management plan (ESMP) is an instrument that details (a) the measures to be taken during the implementation and operation of a project to eliminate or offset adverse environmental and social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures.*
  - g. *Environmental and Social Management Framework (ESMF)*  
*Environmental and social management framework (ESMF) is an instrument that examines the risks and impacts when a project consists of a program and/or series of sub-projects, and the risks and impacts cannot be determined until the program or sub-project details have been identified. The ESMF sets out the principles, rules, guidelines and procedures to assess the environmental and social risks and impacts. It contains measures and plans to reduce, mitigate and/or offset adverse risks and impacts, provisions for estimating and budgeting the costs of*

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such measures, and information on the agency or agencies responsible for addressing project risks and impacts, including on its capacity to manage environmental and social risks and impacts. It includes adequate information on the area in which subprojects are expected to be sited, including any potential environmental and social vulnerabilities of the area; and on the potential impacts that may occur and mitigation measures that might be expected to be used.

**h. Regional ESIA**

Regional ESIA examines environmental and social risks and impacts, and issues, associated with a particular strategy, policy, plan, or program, or with a series of projects, for a particular region (e.g., an urban area, a watershed, or a coastal zone); evaluates and compares the impacts against those of alternative options; assesses legal and institutional aspects relevant to the risks, impacts and issues; and recommends broad measures to strengthen environmental and social management in the region. Regional ESIA pays particular attention to potential cumulative risks and impacts of multiple activities in a region but may not include the site-specific analyses of a specific project, in which case the Borrower must develop supplemental information.

**i. Sectoral ESIA**

Sectoral ESIA examines environmental and social risks and impacts, and issues, associated with a particular sector in a region or across a nation; evaluates and compares the impacts against those of alternative options; assesses legal and institutional aspects relevant to the risks and impacts; and recommends broad measures to strengthen environmental and social management in the region. Sectoral ESIA also pays particular attention to potential cumulative risks and impacts of multiple activities. A Sectoral ESIA may need to be supplemented with project- and site-specific information.

**j. Strategic Environmental and Social Assessment (SESA)**

Strategic environmental and social assessment (SESA) is a systematic examination of environmental and social risks and impacts, and issues, associated with a policy, plan or program, typically at the national level but also in smaller areas. The examination of environmental and social risks and impacts will include consideration of the full range of environmental and social risks and impacts incorporated in ESS 1 through 10. SESAs are typically not location-specific. They are therefore prepared in conjunction with project and site-specific studies that assess the risks and impacts of the project.

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Footnote 2. These will also reflect national regulatory requirements, which may be relied on by the Borrower to the extent they meet the requirements of the ESSs.

Footnote 3. See ESS1, paragraph 23.

Commented [P4]: Rapid Environmental Assessment may also be added

6. Specific features of a project may require the Borrower to utilize specialized methods and tools for assessment, such as a Resettlement Plan, Livelihood Restoration Plan, Indigenous Peoples Plan, Biodiversity Action Plan, Cultural Heritage Management Plan, and other plans as agreed with the Bank.

7. Borrowers should initiate the environmental and social assessment as early as possible in project processing. Borrowers will consult with the Bank as early as possible so the environmental and social assessment is designed from the outset to meet the requirements of the ESSs.

8. The environmental and social assessment will be closely integrated with the project's economic, financial, institutional, social, and technical analyses so that environmental and social considerations are taken into consideration in project selection, siting, and design decisions. The Borrower will take measures to ensure that when individuals or entities are engaged to carry out environmental and social assessment, any conflict of interest is avoided. The environmental and social assessment will not be carried out by the consultants who

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prepare the engineering design, unless the Borrower can demonstrate that no conflict of interest exists and such consultants include qualified environmental and social specialists.

9. When the Borrower has completed or partially completed environmental and social assessment prior to the Bank's involvement in a project, the environmental and social assessment is subject to the Bank's review to ensure that it meets the requirements of the ESSs. If appropriate, the Borrower is required to conduct additional work, including public consultation and disclosure.

**B. Institutional Capacity**

10. Environmental and social assessment can provide opportunities for coordinating environmental and social-related responsibilities and actions in the host country in a way that goes beyond project boundaries/responsibilities and, as a result, where feasible should be linked to other environmental and social strategies and action plans, and free-standing projects. The environmental and social assessment for a specific project can thereby help strengthen environmental and social management capability in the country and both Borrowers and the Bank are encouraged to take advantage of opportunities to use it for that purpose.

11. The Borrower may include components in the project to strengthen its legal or technical capacity to carry out key environmental and social assessment functions. If the Bank concludes that the Borrower has inadequate legal or technical capacity to carry out such functions, the Bank may require strengthening programs to be included as part of the project. If the project includes one or more elements of capacity strengthening, these elements will be subject to periodic monitoring and evaluation as required by ESS1.

**C. Other requirements for certain projects**

12. Where relevant, the environmental and social assessment will take into account the requirements of OP 7.50 for projects on international waterways and OP 7.60 for projects in disputed areas.

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**D. Indicative Outline of ESIA**

13. Where an environmental and social impact assessment is prepared as part of the environmental and social assessment, it will include the following:

(a) Executive summary

- Concisely discusses significant findings and recommended actions.

(b) Legal and institutional framework

- Analyzes the legal and institutional framework for the project, within which the environmental and social assessment is carried out, including the issues set out in ESS1, paragraph 26 4.
- Compare the Borrower's existing environmental and social framework and the ESSs and identify the gaps between them.
- Identifies and assesses the environmental and social requirements of any co-financiers.

(c) Project description

- Concisely describes the proposed project and its geographic, environmental, social, and temporal context, including any offsite investments that may be required (e.g., dedicated pipelines, access roads, power supply, water supply, housing, and raw material and product storage facilities), as well as the project's primary suppliers.
- Through consideration of the details of the project, indicates the need for any plan to meet the requirements of ESS 1 through 10.
- Includes a map of sufficient detail, showing the project site and the area that may be affected by the project's direct, indirect, and cumulative impacts.

(d) Baseline data

- Sets out in detail the baseline data that is relevant to decisions about project location, design, operation, or mitigation measures. This should include a discussion of the accuracy, reliability, and sources of the data as well as information about dates surrounding project identification, planning and implementation.
- Identifies and estimates the extent and quality of available data, key data gaps, and uncertainties associated with predictions;
- Based on current information, assesses the scope of the area to be studied and describes relevant physical, biological, and socioeconomic conditions, including any changes anticipated before the project commences.
- Takes into account current and proposed development activities within the project area but not directly connected to the project.

(e) Environmental and social risks and impacts

- Takes into account all relevant environmental and social risks and impacts of the project. This will include the environmental and social risks and impacts specifically identified in ESS2 – 8, and any other environmental and social risks and impacts arising as a consequence of the specific nature and context of the project, including the risks and impacts identified in ESS1, paragraph 28.

(f) Mitigation measures

- Identifies mitigation measures and significant residual negative impacts that cannot be mitigated and, to the extent possible, assesses the acceptability of those residual negative impacts.
- Identifies differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable.
- assesses the feasibility of mitigating the environmental and social impacts; the capital and recurrent costs of proposed mitigation measures, and their suitability under local

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conditions; the institutional, training, and monitoring requirements for the proposed mitigation measures.

- specifies issues that do not require further attention, providing the basis for this determination.

*(g) Analysis of alternatives*

- systematically compares feasible alternatives to the proposed project site, technology, design, and operation—including the "without project" situation—in terms of their potential environmental and social impacts;
- assesses the alternatives' feasibility of mitigating the environmental and social impacts; the capital and recurrent costs of alternative mitigation measures, and their suitability under local conditions; the institutional, training, and monitoring requirements for the alternative mitigation measures.
- For each of the alternatives, quantifies the environmental and social impacts to the extent possible, and attaches economic values where feasible.

*(h) Design measures*

- sets out the basis for selecting the particular project design proposed and specifies the applicable ESHGs or if the ESHGs are determined to be inapplicable, justifies recommended emission levels and approaches to pollution prevention and abatement that are consistent with GIIP.

*(i) Key measures and actions for the Environmental and Social Commitment Plan (ESCP)*

- Summarizes key measures and actions and the timeframe required for the project to meet the requirements of the ESSs. This will be used in developing the Environmental and Social Commitment Plan (ESCP).

*(j) Appendices*

- List of the individuals or organizations that prepared or contributed to the environmental and social assessment.
- References—setting out the written materials both published and unpublished, that have been used.
- Record of meetings, consultations and surveys with stakeholders, including those with affected people and other interested parties. The record specifies the means of such stakeholder engagement that were used to obtain the views of affected people and other interested parties.
- Tables presenting the relevant data referred to or summarized in the main text.
- List of associated reports or plans.

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Footnote 4. ESS1, paragraph 26, states that the environmental and social assessment takes into account in an appropriate manner all issues relevant to the project, including: (a) the country's applicable policy framework, national laws and regulations, and institutional capabilities (including implementation) relating to environment and social issues; variations in country conditions and project context; country environmental or social studies; national environmental or social action plans; and obligations of the country directly applicable to the project under relevant international treaties and agreements; (b) applicable requirements under the ESSs; and (c) the EHSs, and other relevant GIIP.

**E. Indicative Outline of ESMP**

14. An ESMP consists of the set of mitigation, monitoring, and institutional measures to be taken during implementation and operation of a project to eliminate adverse environmental and social risks and impacts, offset them, or reduce them to acceptable levels. The ESMP also includes the measures and actions needed to implement these measures. The Borrower will (a) identify the set of responses to potentially adverse impacts; (b) determine requirements for ensuring that those responses are made effectively and in a timely manner; and (c) describe the means for meeting those requirements.

15. Depending on the project, an ESMP may be prepared as a stand-alone document<sup>5</sup> or the content may be incorporated directly into the ESCP. The content of the ESMP will include the following:

(a) Mitigation

- The ESMP identifies measures and actions in accordance with the mitigation hierarchy that reduce potentially adverse environmental and social impacts to acceptable levels. The plan will include compensatory measures, if applicable. Specifically, the ESMP:
  - (i) identifies and summarizes all anticipated adverse environmental and social impacts (including those involving indigenous people or involuntary resettlement);
  - (ii) describes—with technical details—each mitigation measure, including the type of impact to which it relates and the conditions under which it is required (e.g., continuously or in the event of contingencies), together with designs, equipment descriptions, and operating procedures, as appropriate;
  - (iii) estimates any potential environmental and social impacts of these measures; and
  - (iv) takes into account, and is consistent with, other mitigation plans required for the project (e.g., for involuntary resettlement, indigenous peoples, or cultural heritage).

(b) Monitoring

- The ESMP identifies monitoring objectives and specifies the type of monitoring, with linkages to the impacts assessed in the environmental and social assessment and the mitigation measures described in the ESMP 6. Specifically, the monitoring section of the ESMP provides (a) a specific description, and technical details, of monitoring measures, including the parameters to be measured, methods to be used, sampling locations, frequency of measurements, detection limits (where appropriate), and definition of thresholds that will signal the need for corrective actions; and (b) monitoring and reporting procedures to (i) ensure early detection of conditions that necessitate particular mitigation measures, and (ii) furnish information on the progress and results of mitigation.

(c) Capacity development and training

- To support timely and effective implementation of environmental and social project components and mitigation measures, the ESMP draws on the environmental and social assessment of the existence, role, and capability of responsible parties on site or at the

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- agency and ministry level.
- Specifically, the ESMP provides a specific description of institutional arrangements, identifying which party is responsible for carrying out the mitigation and monitoring measures (e.g. for operation, supervision, enforcement, monitoring of implementation, remedial action, financing, reporting, and staff training).
- To strengthen environmental and social management capability in the agencies responsible for implementation, the ESMP recommends the establishment or expansion of the parties responsible, the training of staff and any additional measures that may be necessary to support implementation of mitigation measures and any other recommendations of the environmental and social assessment.

**(d) Implementation schedule and cost estimates**

- For all three aspects (mitigation, monitoring, and capacity development), the ESMP provides (a) an implementation schedule for measures that must be carried out as part of the project, showing phasing and coordination with overall project implementation plans; and (b) the capital and recurrent cost estimates and sources of funds for implementing the ESMP. These figures are also integrated into the total project cost tables.

**(e) Integration of ESMP with project**

- The Borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the ESMP (either stand alone or as incorporated into the ESCP) will be executed effectively. Consequently, each of the measures and actions to be implemented will be clearly specified, including the individual mitigation and monitoring measures and actions and the institutional responsibilities relating to each, and the costs of so doing will be integrated into the project's overall planning, design, budget, and implementation.

Footnote 5. This may be particularly relevant where the Borrower is engaging contractors, and the ESMP sets out the requirements to be followed by contractors. In this case the ESMP should be incorporated as part of the contract between the Borrower and the contractor, together with appropriate monitoring and enforcement provisions.

Footnote 6. Monitoring during project implementation provides information about key environmental and social aspects of the project, particularly the environmental and social impacts of the project and the effectiveness of mitigation measures. Such information enables the Borrower and the Bank to evaluate the success of mitigation as part of project supervision, and allows corrective action to be taken when needed.

**F. Indicative Outline of Environmental and Social Audit**

16. The aim of the audit is to identify significant environmental and social issues in the existing project or activities, and assess their current status, specifically in terms of meeting the requirements of the ESSs.

**(a) Executive summary**

- Concisely discusses significant findings and set out recommended measures and actions and timeframes.

**(b) Legal and institutional framework**

- Analyzes the legal and institutional framework for the existing project or activities, including the issues set out in ESS1, paragraph 26, and (where relevant) any applicable environmental and social requirements of existing financiers.

**(c) Project description**

- Concisely describes the existing project or activities, and the geographic, environmental,

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*social, and temporal context and any Associated Facilities.*

- *Identifies the existence of any plans already developed to address specific environmental and social risks and impacts (e.g. land acquisition or resettlement plan, cultural heritage plan, biodiversity plan)*
- *Includes a map of sufficient detail, showing the site of the existing project or activities and the proposed site for the proposed project.*

*(d) Environmental and social Issues associated with the existing project or activities*

- *The review will consider the key risks and impacts relating to the existing project or activities. This will cover the risks and impacts identified in ESSs1-10, as relevant to the existing project or activities. The audit will also review issues not covered by the ESSs, to the extent that they represent key risks and impacts in the circumstances of the project.*

*(e) Environmental and social analysis*

- *The audit will also assess (i) the potential impacts of the proposed project (taking into account the findings of the audit with regard to the existing project or activities); and (ii) the ability of the proposed project to meet the requirements of the ESSs.*

*(f) Proposed environmental and social measures*

- *Based on the findings of the audit, this section will set out the suggested measures to address such findings. These measures will be included in the Environmental and Social Commitment Plan (ESCP) for the proposed Project. Measures typically covered under this section include the following:*
  - *specific actions required to meet the requirements of the ESSs*
  - *corrective measures and actions to mitigate potentially significant environmental and/or social risks and impacts associated with the existing project or activities*
  - *measures to avoid or mitigate any potential adverse environmental and social risks or impacts associated with the proposed project*

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**ESS1-ANNEX 2. Environmental and Social Commitment Plan**

**A. Introduction**

1. *The Borrower will agree on an Environmental and Social Commitment Plan (ESCP) with the Bank. The ESCP forms part of the legal agreement. It is designed to consolidate into one summary document the material measures and actions that are required for the project to achieve compliance with the ESSs over a specified timeframe in a manner satisfactory to the Bank.*

2. *The Borrower will agree on an Environmental and Social Commitment Plan (ESCP) with the Bank. The ESCP forms part of the legal agreement. It is designed to consolidate into one summary document the material measures and actions that are required for the project to achieve compliance with the ESSs over a specified timeframe in a manner satisfactory to the Bank.*

**B. Content of an ESCP**

3. *The ESCP will be an accurate summary of the material measures and actions to address the potential environmental and social risks and impacts of the project in accordance with the mitigation hierarchy. It will form the basis for monitoring the environmental and social performance of the project. All requirements will be set out clearly, so that there is no ambiguity around compliance, timing and monitoring. Depending on the project, the ESCP may specify funding to be made available for completion of a measure or action, and include other details relevant to completion.*

4. *The ESCP will also include a process that allows for adaptive management of proposed project changes or unforeseen circumstances. The process will set out how such changes or circumstances will be managed and reported and any necessary changes will be made to the ESCP and relevant management tools.*

5. *The ESCP will also set out a summary of the organizational structure that the Borrower will establish and maintain to implement the actions agreed in the ESCP. The organizational structure will take into account the different roles and responsibilities of the Borrower and the agencies responsible for implementing the project, and identify specific personnel with clear lines of responsibility and authority.*

6. *The ESCP will set out a summary of the training that the Borrower will provide to address the specific actions required under the ESCP, identifying the recipients of such training and the required human and financial resources.*

7. *The ESCP will set out the systems, resources and personnel that the Borrower will put in place to carry out monitoring, and will identify any third parties that will be used to complement or verify the Borrower's monitoring activities.*

8. *The content of an ESCP will differ from project to project. For some projects, the ESCP will capture all relevant obligations of the Borrower, and there will be no requirement for additional plans. For other projects, the ESCP will refer to other plans, either plans that already exist or plans to be prepared (e.g. an ESMP, a resettlement plan, a hazardous waste plan) which set out detailed project requirements. In such circumstances, the ESCP will summarize key aspects of the plans. Where plans are to be developed, the ESCP will set out timeframes for completion of such plans.*

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9. Where, and to the extent that, the project is relying on use of the Borrower's existing environmental and social framework, the ESCP will identify the specific aspects of the national framework with reference to the relevant ESSs.

**C. Implementation of ESCP**

10. The Borrower will implement diligently the measures and actions identified in the ESCP in accordance with the timeframes specified, and will review the status of implementation of the ESCP as part of its monitoring and reporting.<sup>1</sup>

Footnote 1. See ESS1 Section D.

11. The Borrower will maintain, and strengthen as necessary throughout the project life-cycle, the organizational structure established to oversee environmental and social aspects of the project. Key social and environmental responsibilities will be well-defined, and communicated to all personnel involved. Sufficient high-level commitment, and human and financial resources, will be provided on an ongoing basis to implement the ESCP.

12. The Borrower will ensure that persons with direct responsibility for activities relevant to the implementation of the ESCP are adequately qualified and trained so that they have the knowledge and skills necessary to perform their work. The Borrower, either directly or through agencies responsible for implementing the project, will provide training to address the specific measures and actions required by the ESCP, and to support effective and continuous social and environmental performance.

13. The Borrower will notify the Bank promptly of any proposed changes to the scope, design, implementation or operation of the project that are likely to cause an adverse change in the environmental or social risks or impacts of the project. The Borrower will carry out, as appropriate, additional assessment and stakeholder engagement in accordance with the ESSs, and propose changes, for approval by the Bank, to the ESCP and relevant management tools, as appropriate, in accordance with the findings of such assessments and consultation. The updated ESCP will be disclosed.

**D. Timing for conducting project activities**

14. If the Borrower is required to plan or take specific measures and actions over a specified timeframe to avoid, minimize, reduce or mitigate specific risks and impacts of the project, the Borrower may not carry out any activities in relation to the project that may cause material adverse environmental or social risks or impacts, until the relevant plans, measures or actions have been completed in accordance with the ESCP, including satisfying applicable requirements on consultation and disclosure.

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**ESS1-ANNEX 3. Management of Contractors**

*The Borrower will require that all contractors engaged on the project operate in a manner consistent with the requirements of the ESSs, including the specific requirements set out in the ESCP. The Borrower will manage all contractors in an effective manner, including:*

- (a) Assessing the environmental and social risks and impacts associated with such contracts;*
- (b) Ascertaining that contractors engaged in connection with the project are legitimate and reliable enterprises, and have knowledge and skills to perform their project tasks in accordance with their contractual commitments;*
- (c) Incorporating all relevant aspects of the ESCP into tender documents;*
- (d) Contractually requiring contractors to apply the relevant aspects of the ESCP and the relevant management tools, and including appropriate and effective non-compliance remedies;*
- (e) Monitoring contractor compliance with their contractual commitments; and*
- (f) In the case of subcontracting, requiring contractors to have equivalent arrangements with their subcontractors.*

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*The Guidance Notes provide guidance for the Borrower on the application of the Environmental and Social Standards (ESSs), which form part of the World Bank's 2016 Environmental and Social Framework. The Guidance Notes help to explain the requirements of the ESSs; they are not Bank policy, nor are they mandatory. The Guidance Notes do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Guidance Notes and the ESSs, the provisions of the ESSs prevail. Each paragraph of the Standard is highlighted in a box, followed by the corresponding guidance.*

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**Introduction**

1. ESS2 recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. Borrowers can promote sound worker management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions.

**Objectives**

- To promote safety and health at work.
- To promote the fair treatment, non-discrimination and equal opportunity of project workers.
- To protect project workers, including vulnerable workers such as women, persons with disabilities, children (of working age, in accordance with this ESS) and migrant workers, contracted workers, community workers and primary supply workers, as appropriate.
- To prevent the use of all forms of forced labor and child labor.<sup>1</sup>
- To support the principles of freedom of association and collective bargaining of project workers in a manner consistent with national law.
- To provide project workers with accessible means to raise workplace concerns.

Footnote 1. Paragraphs 17 to 19 specify the circumstances in which a child may be employed or engaged in connection with a project.

**Scope of Application**

2. The applicability of ESS2 is established during the environmental and social assessment described in ESS1.<sup>2</sup>

Footnote 2. In conducting the environmental and social assessment and depending on the significance of the potential issues in the project relating to labor and working conditions, the views of representative workers' and employers' organizations may be sought.

**GN2.1.** Application of ESS2 promotes the implementation of a systematic approach to improving the management of risks and impacts related to labor and working conditions in projects. The environmental and social assessment identifies the ways in which national law and the requirements of ESS2 are applied to the project.

**GN2.2.** ESS2 is in part informed by several International Labour Organization (ILO) and United Nations (UN) Conventions. These include:

- ILO Convention 87 on Freedom of Association and Protection of the Right to Organize
- ILO Convention 98 on the Right to Organize and Collective Bargaining
- ILO Convention 29 on Forced Labor
- ILO Convention 105 on the Abolition of Forced Labor
- ILO Convention 138 on Minimum Age (of Employment)
- ILO Convention 182 on the Worst Forms of Child Labor

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- ILO Convention 100 on Equal Remuneration
- ILO Convention 111 on Discrimination (Employment and Occupation).

Many of these conventions and other international instruments are incorporated into the national law of ratifying countries.

**GN2.3(Footnote 2).**As discussed in Footnote 2 of ESS2, engaging with project workers and their representatives on labor issues, including with representatives of workers' organizations where they exist, helps inform the assessment of labor risks and impacts, by providing useful context and additional information. Depending on the project, engagement may also include workers' organizations at a global, national or sector level, and labor inspectorates.

<p>3. <i>The scope of application of ESS2 depends on the type of employment relationship between the Borrower and the project workers. The term "project worker" refers to:</i></p> <ul style="list-style-type: none"><li>(a) <i>people employed or engaged directly by the Borrower (including the project proponent and the project implementing agencies) to work specifically in relation to the project (direct workers);</i></li><li>(b) <i>people employed or engaged through third parties<sup>3</sup> to perform work related to core functions<sup>4</sup> of the project, regardless of location (contracted workers);</i></li><li>(c) <i>people employed or engaged by the Borrower's primary suppliers<sup>5</sup> (primary supply workers);</i></li><li>(d) <i>people employed or engaged in providing community labor<sup>6</sup> (community workers).</i></li></ul> <p><i>ESS2 applies to project workers including full-time, part-time, temporary, seasonal and migrant workers.<sup>7</sup></i></p>
<p><i>Footnote 3. "Third parties" may include contractors, subcontractors, brokers, agents or intermediaries.</i></p>
<p><i>Footnote 4. "Core functions" of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.</i></p>
<p><i>Footnote 5. "Primary suppliers" are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project.</i></p>
<p><i>Footnote 6. See paragraph 34</i></p>
<p><i>Footnote 7. "Migrant workers" are workers who have migrated from one country to another or from one part of the country to another for purposes of employment.</i></p>

**GN3.1.**Project workers can be engaged in many different ways. It is important to identify the different types of workers that may be engaged in the project and describe them in the *labor management procedures* that are prepared for the project (see Paragraph 9 of ESS2), together with the way in which the ESS2 requirements apply to each type of project worker. The four categories of project workers referred to in Paragraph 3 of ESS2 recognize the differing degrees of control and influence that a Borrower may have over the working conditions and treatment of different types of project workers. The requirements under ESS2 are different depending on the type of project worker involved.

**GN3.2.** Identifying the nature of the employment relationships with project workers is important for categorizing workers appropriately. Determining the existence of an employment relationship is guided primarily by the facts relating to performance and organization of the work and the type of workers' remuneration.

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**GN3.3.** Several indicators may be considered in determining whether and between which parties an employment relationship exists; these may include the following:

- (a) **Organization of the work.** Whether work:
- is carried out according to the instructions and under the control of the Borrower or another party;
  - involves the integration of the worker in the organization of the borrower (or the entity involved in implementing the project, such as the project implementation unit);
  - is performed solely or mainly for the benefit of the Borrower or another party;
  - must be carried out personally by the worker;
  - is carried out within specific working hours or at a workplace specified or agreed by the Borrower or another party requesting the work;
  - is of a particular duration and has a certain continuity;
  - requires the worker's availability; or
  - involves the provision of tools, materials and machinery by the party requesting the work.
- (b) **Remuneration and other benefits**, which may include:
- periodic payment of remuneration to the worker;
  - the fact that such remuneration constitutes the worker's sole or principal source of income;
  - provision of payment in kind, such as food, lodging or transport;
  - recognition of entitlements such as weekly rest and annual holidays;
  - payment by the party requesting the work for travel undertaken by the worker to carry out the work; or
  - absence of financial risk for the worker.

**GN3.4.** Contractual arrangements, particularly those involving multiple parties, should be clear as to which party is responsible for ensuring that the requirements of ESS2 are met for each type of project worker. This is particularly important where several different parties are involved in implementing the project. For example, the construction of a large infrastructure project may include a main contractor, several subcontractors, representatives of the Borrower, and various engineers.

**GN3.5 (Footnote 3).** A range of third parties may be used to source or provide labor for a project. It is important to understand the nature of the relationship between the third party and the project worker to decide how the requirements of ESS2 apply to the worker. In some circumstances, even where the worker is engaged on the project long term, the control and legal responsibility for the worker remains with the third party. In such circumstances, the worker is a "*contracted worker*" for the purposes of ESS2, and the responsibilities of the Borrower are as set out in Section E (Paragraphs 31-33) of ESS2. This is the case, for example, where a contractor brings its own workforce to work on a project. In other circumstances, the third party may source and recruit the worker on behalf of the Borrower (or the entity involved in implementing the project, such as the project implementation unit). In these circumstances, such workers are "*direct workers*" for the purposes of ESS2. This is the case, for example,

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where a labor broker or agent acts as an intermediary for the placement and recruitment of workers in one country to be employed on a project in another country.

*Direct Workers*

4. *The requirements of paragraphs 9 to 30 of this ESS will apply to direct workers.*

**GN4.1.** A “direct worker” is a worker with whom the Borrower has a directly contracted employment relationship and specific control over the work, working conditions and treatment of the project worker. The worker is employed or engaged by the Borrower, paid directly by the Borrower and subject to the Borrower’s day-to-day instruction and control. Examples of direct workers may include persons employed by the Borrower’s project implementation unit to carry out design and supervision, monitoring and evaluation, or community engagement in relation to the project.

*Contracted Workers*

5. *The requirements of paragraphs 9 to 33 of this ESS will apply to contracted workers, as specified in Section E.*

**GN5.1.** A “contracted worker” is a worker employed or engaged by a third party to perform work or provide services that are essential for the core function of the project, where the third party exercises control over the work, working conditions and treatment of the person. In such circumstances, the employment relationship is between the third party and the project worker, even if the project worker is working on an ongoing basis on project activities.

*Community Workers*

6. *The requirements of paragraphs 34 to 38 of this ESS will apply to community workers, as specified in Section F.*

*Primary Supply Workers*

7. *The requirements of paragraphs 39 to 42 of this ESS will apply to primary supply workers, as specified in Section G.*

**GN7.1.** A “primary supply worker” is a worker employed or engaged by a primary supplier, providing goods and materials to the project, over which a primary supplier exercises control over the work, working conditions and treatment of the person. Footnote 5 of ESS2 sets out the definition of a “primary supplier.” As part of the definition, there is a requirement that the goods or materials be provided directly to the project for its core functions on an ongoing basis. This means that second, third and further levels of the supply chain (sometimes referred to as Tier 2 and Tier 3 suppliers) are not covered by ESS2. See also ESS1 for discussion of what constitutes a primary supplier.

8. *Where government civil servants are working in connection with the project, whether full-time or part-time, they will remain subject to the terms and conditions of their existing public sector employment agreement or arrangement, unless there has been an effective legal transfer of their employment or engagement to the project.<sup>8</sup> ESS2 will not apply to such government civil servants, except for the provisions of paragraphs 17 to 20 (Protecting the Work Force) and paragraphs 24 to 30 (Occupational Health and Safety).*

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Footnote 8. Such transfer will be conducted in accordance with all legal requirements and transferred workers will be subject to all requirements of this ESS.

**GN8.1.** ESS2 does not seek to interfere in the relationship between the Government and its civil service employees, who are normally employed under specific terms and conditions that may reflect mandatory legal requirements. While government civil servants may work on the project, for example, in the project implementing unit or project management office, their status as government civil servants is not affected.

**GN8.2.** In the case of an effective legal transfer of employment or engagement of a government civil servant to the project or of a government civil servant who takes a formal unpaid leave of absence to work on the project, ESS2 applies. In these cases, for purposes of the project, workers are no longer subject to the legal requirements relating to civil servants, and are instead employed directly by the project and subject to the provisions of ESS2 relating to direct workers.

**GN8.3.** There may be situations in which government civil servants have no employment relationship with the project, but are involved in project activities in their governmental capacity. For example, they may be involved in training activities, such as teachers in education sector projects, or health care service providers in health sector projects. While ESS2 does not apply to such persons, the potential risks and impacts of the project to such persons should be assessed in accordance with ESS1, including any occupational and health and safety considerations.

**Requirements**

**A. Working Conditions and Management of Worker Relationships**

9. The Borrower will develop and implement written labor management procedures applicable to the project. These procedures will set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS.<sup>9</sup> The procedures will address the way in which this ESS will apply to different categories of project workers, including direct workers, and the way in which the Borrower will require third parties to manage their workers in accordance with paragraphs 31-33.

Footnote 9. To the extent that provisions of national law are relevant to project activities and satisfy the requirements of this ESS, the Borrower will not be required to duplicate such provisions in labor management procedures.

**GN9.1.** The purpose of the *labor management procedures* is to facilitate planning for the project and help identify the resources necessary to address the labor issues associated with the project. The *labor management procedures* help to (a) identify the different types of project workers that are likely to be involved in the project, and (b) set out the ways of meeting the requirements of ESS2 that apply to the different types of workers.

**GN9.2.** Where project workers are employed or engaged by different parties, the *labor management procedures* set out the responsibilities of the Borrower in relation to each category of project worker,

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identifying the way in which different parties will meet with the requirements on labor and working conditions set out in ESS2.

**GN9.3.** The *labor management procedures* set out a systematic approach to the management of labor issues in the project and reflect the requirements of national law, applicable collective agreements and requirements of ESS2. The amount of detail set out in the procedures reflects the type of project, the type, size and location of the workforce, and the extent to which national law satisfies the requirements of ESS2. It is good practice to review and update the *labor management procedures* as needed during the preparation and implementation of the project. The *labor management procedures* may be prepared as a stand-alone document, or form part of other environmental and social management documents.

**GN9.4.** Where relevant in the context of the project and the potential risks and impacts, the *labor management procedures* may contain measures to address risks that may arise from interaction between project workers and local communities. These may include measures to raise awareness of such risks, communicate expectations regarding appropriate conduct, together with disciplinary measures, and depending on the nature of the project, adoption of a formal code of conduct. For additional guidance, see Guidance Note on Managing Risks Related to Labor Influx on the World Bank's website.

**GN9.5.** Where national law requires the collection and retention of information about project workers, this is included in the *labor management procedures*, with an explanation of the type of information that is collected.

**GN9.6 (Footnote 9).** In many countries, particularly those that have ratified conventions and other international instruments relating to labor and working conditions, national law reflects many of the requirements of ESS2. Where this is the case, the *labor management procedures* refer to the relevant national law provisions. Further, ESS2 does not preclude provision of higher levels of protection for workers in countries where such protections are set out in national law. It is important to review national laws applicable to the project periodically to ensure that they continue to satisfy the relevant ESS2 requirements (both with respect to substance and implementation). The *labor management procedures* are amended or updated as necessary, if national laws change.

**Terms and Conditions of Employment**

10. *Project workers will be provided with information and documentation that is clear and understandable regarding their terms and conditions of employment. The information and documentation will set out their rights under national labor and employment law (which will include any applicable collective agreements), including their rights related to hours of work, wages, overtime, compensation and benefits, as well as those arising from the requirements of this ESS. This information and documentation will be provided at the beginning of the working relationship and when any material changes to the terms or conditions of employment occur.*

**GN10.1.** Documentation should be appropriate and relevant to the length and nature of the employment or engagement. For example, a public notice of the job to be done, the number of hours, pay, and other key terms and working conditions may be adequate for seasonal project workers

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provided copies of such information are available at the request of the project workers. For longer-term employment, the material terms of the employment relationship are documented in more detail, and a copy of the documentation (for example, the signed contract) should be provided to the project worker. In many countries, individual contracts are a legal requirement.

**GN10.2.** Information provided to workers at the start of employment is normally covered by relevant provisions of national law. Documents and contracts include information on the following, as appropriate:

- the name and legal domicile of the employer;
- the worker's name;
- the worker's job title;
- the date employment began;
- where the employment is not permanent, the anticipated duration of the contract;
- the place of work or, where the work is mobile, the main location;
- housing provisions and payment required, if any;
- provisions regarding food and payment required, if any;
- hours of work, rest breaks, leave entitlements and other related matters;
- rules relating to overtime and overtime compensation;
- the levels and rules relating to the calculation of salary, wages and other benefits, including any rules related to timing of payment and deductions;
- the pension and other welfare arrangements applicable to the worker;
- the length of notice which the worker can expect to give and receive on termination of employment;
- the disciplinary procedures that are applicable to the worker, including details of representation available to the worker and any appeals mechanism;
- details of grievance procedures, including the person to whom grievances should be addressed; and
- any collective bargaining arrangements that apply to the worker.

**GN10.3.** In addition to documentation, oral communication and explanation of working conditions and terms of employment will be appropriate where project workers do not read or have difficulties understanding the documentation, or where the documentation is in an unfamiliar language to workers, for example migrant workers. In such cases, a summary of key terms and conditions in a language understandable to the workers is provided. Where there is a collective agreement that applies to the project workers, that information is communicated to them as well. Documentation regarding such communication and explanation, for example, through records of meetings held or notices placed on a workers' bulletin board should be retained.

**GN10.4.** The working conditions and terms of employment of migrant workers (domestic or foreign) should be the same or substantially equivalent to those of non-migrant project workers performing the same type of work. This applies to migrant project workers employed or engaged directly by the Borrower or through a third party. Such terms include, for example, remuneration, overtime, hours of work, weekly rest, holidays with pay, safety, health, termination of the employment relationship and any

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other relevant conditions of work. Other terms of employment include requirements to protect the workforce, as set out in Section B below.

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11. *Project workers will be paid on a regular basis as required by national law and labor management procedures. Deductions from payment of wages will only be made as allowed by national law or the labor management procedures, and project workers will be informed of the conditions under which such deductions will be made. Project workers will be provided with adequate periods of rest per week, annual holiday and sick, maternity and family leave, as required by national law and labor management procedures.*

**GN11.1.** In circumstances where national law does not mandate periods of rest, annual holiday, sick, maternity or family leave for specific types of employment, the Borrower should consider providing such periods of rest and leave, taking into account the type and duration of the employment, and the scope, risks and impacts of the project. Where provided, these conditions should be included in the *labor management procedures*.

12. *Where required by national law or the labor management procedures, project workers will receive written notice of termination of employment and details of severance payments in a timely manner.<sup>10</sup> All wages that have been earned, social security benefits, pension contributions and any other entitlements will be paid on or before termination of the working relationship, either directly to the project workers or where appropriate, for the benefit of the project workers. Where payments are made for the benefit of project workers, project workers will be provided with evidence of such payments.*

*Footnote 10. Entitlement to such payments will depend on the nature of the employment relationship, including whether the project workers are employed on a fixed term contract, or are full-time, part-time, temporary or seasonal.*

**GN12.1.** Where national law mandates the transfer of certain payments to specific third parties for the benefit of the worker (for example, government agencies or institutions such as a pension fund administration or health funds), the worker is provided with written evidence of such payment.

**Non-Discrimination and Equal Opportunity**

13. *Decisions relating to the employment or treatment of project workers will not be made on the basis of personal characteristics unrelated to inherent job requirements. The employment of project workers will be based on the principle of equal opportunity and fair treatment, and there will be no discrimination with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment,<sup>11</sup> access to training, job assignment, promotion, termination of employment or retirement, or disciplinary practices. The labor management procedures will set out measures to prevent and address harassment, intimidation and/or exploitation. Where national law is inconsistent with this paragraph, the project will seek to carry out project activities in a manner that is consistent with the requirements of this paragraph to the extent possible.*

*Footnote 11. The Borrower will consider, to the extent technically and financially feasible, reasonable measures to adapt the workplace in relation to project workers with disabilities.*

**GN13.1.** Discrimination in employment as it relates to project workers is any distinction, exclusion, or preference with respect to recruitment, hiring, termination of employment, working conditions, or

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terms of employment made on the basis of personal characteristics unrelated to inherent work requirements that nullify or impair equality of opportunity or treatment in employment. Inherent work requirements refer to genuine occupational qualifications that are necessary to perform the work.

**GN13.2.** Equal opportunity is the principle of basing all employment decisions, such as hiring and promotion, on the ability of a person to perform the work, without regard to personal characteristics that are unrelated to the inherent work requirements.

**GN13.3.** The extent to which national provisions support implementation in the project of the principles of equal opportunity and fair treatment is assessed by the Borrower in developing the project's *labor management procedures*. Where the national law is inconsistent with the requirements set out in Paragraph 13 of ESS2, the aim is to support the application of such principles in the project to the extent possible.

**GN13.4.** Discrimination can occur in the work place in various ways. For example, recruitment of new project workers may impose requirements that are not necessary for a job but may result in excluding a specific group. It can relate to decisions on how much to pay a project worker, for example, a female or migrant project worker. Discrimination can also occur in training and development, where selection may be based on criteria that are discriminatory. It can relate to termination of employment, where a specific group may be disproportionately affected, for example, based on considerations relating to age or gender. Finally, it can arise with respect to inappropriate treatment or harassment of project workers related, for example, to gender, age, disability, ethnicity or religion.

**GN13.5.** The Borrower identifies measures that support equal opportunities for women and men, with emphasis on equal criteria for selection, remuneration and promotion, and equal application of those criteria. There should be measures to prevent harassment of project workers, including sexual harassment, in the workplace. If migrant workers are engaged by the project, to the Borrower implements appropriate measures to prevent any discriminatory treatment of them.

**GN13.6 (Footnote 11).** Measures that address working conditions, accessibility of the built environment and information communication for project workers with disabilities include, for example, the provision of wheelchair ramps or elevators, or alternative formats of communication, such as large print, Braille, accessible digital formats or audio tape. Specific project measures are included in the *labor management procedures*. It is important to make information about the measures available to disabled workers.

14. *Special measures of protection and assistance to remedy discrimination or selection for a particular job based on the inherent requirements of the job or the objectives of the project<sup>12</sup> will not be deemed as discrimination, provided they are consistent with national law.*

*Footnote 12. For example, where the project or a component of the project is designed to target a specific group or set of individuals, such as in projects with a local hiring requirement, social safety net projects or work for peace projects. This may also include positive affirmative measures as required by national law.*

**GN 14.1.** Where allowed by national law, the Borrower may implement specific measures that provide for preferential treatment of individuals or groups of project workers who have been the subject of prior

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discrimination or disadvantage. Such measures could include training, management schemes, targeted outreach for recruitment or financial assistance for specific individuals or groups.

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15. *The Borrower will provide appropriate measures of protection and assistance to address the vulnerabilities of project workers, including specific groups of workers, such as women, people with disabilities, migrant workers and children (of working age in accordance with this ESS). Such measures may be necessary only for specific periods of time, depending on the circumstances of the project worker and the nature of the vulnerability.*

**GN15.1.** Many project workers are able to undertake different kinds of employment regardless of specific vulnerabilities, but there may be circumstances where measures may need to be taken to provide protection and assistance, for example for women while they are pregnant. It is important that women be protected from dismissal and other forms of prejudice in employment on the grounds of pregnancy, maternity leave or marital status.

**GN15.2.** People with defined disabilities may require particular adjustments. When considering changes to physical aspects of the workplace, the extent and cost of such changes are important factors in determining the suitability and reasonableness of proposed measures, compared to the degree of the discrimination that may otherwise affect project workers. Appropriate expertise may help to identify measures that minimize cost or disruption while still meeting the objectives of access or protection.

**Worker's Organizations**

16. *In countries where national law recognizes workers' rights to form and to join workers' organizations of their choosing and to bargain collectively without interference, the project will be implemented in accordance with national law. In such circumstances, the role of legally established workers' organizations and legitimate workers' representatives will be respected, and they will be provided with information needed for meaningful negotiation in a timely manner. Where national law restricts workers' organizations, the project will not restrict project workers from developing alternative mechanisms to express their grievances and protect their rights regarding working conditions and terms of employment. The Borrower should not seek to influence or control these alternative mechanisms. The Borrower will not discriminate or retaliate against project workers who participate, or seek to participate, in such workers' organizations and collective bargaining or alternative mechanisms.*

**GN16.1.** In many countries workers have the legal right to form unions or other workers' organizations of their own choosing and to bargain collectively with their employers. National laws often reflect a number of international agreements that recognize and protect these rights.

**GN16.2.** A workers' organization is any organization of workers for the purpose of furthering and defending their interests, in particular with regard to working conditions and terms of employment. Workers' organizations can be called by different terms in different countries, for example, trade unions, labor unions or workers' associations. They are usually formed and organized by workers, and should operate without outside control or interference. Workers' organizations should be representative of the work force and operate pursuant to the principles of fair and reasonable representation of workers and their interests in the context of the project.

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**GN16.3.** Collective bargaining consists of discussions and negotiations between employers, employers' organizations and workers' organizations for the purpose of determining working conditions and terms of employment by joint agreement. It also includes instructions on the implementation and administration of any agreements that may result from collective bargaining and the resolution of other issues and grievances that arise in the employment relationship with respect to workers represented by the workers' organization. Collective bargaining can take place in different ways, depending on the country. Many countries have multi-level bargaining systems, which might include project, company and sectoral levels.

**GN16.4.** Where workers' freedom of association and/or collective bargaining are prohibited or restricted under national law, the Borrower and third parties should engage with workers to address relevant issues relating to their working conditions and terms of employment. Alternative mechanisms may include recognizing worker committees, and allowing workers to choose their own representatives for dialogue and negotiation on terms and conditions of employment in a manner that does not contravene national law.

**GN16.5.** Where national law recognizes the worker's rights to form and workers' organizations of their choosing, project workers should not be discouraged from, or discriminated or retaliated against, for forming or joining (or attempting to form or join) such organizations. Where national law restricts such organizations, project workers should not be discouraged from, discouraged from, or discriminated or retaliated against, for developing and participating in alternative mechanisms referred to in paragraph 16 of ESS2. Examples of discrimination or retaliation against workers who participate, or seek to participate, in workers' organizations and collective bargaining or alternative mechanisms include an employer's refusal to hire project workers who have been members or leaders of workers' organizations at other firms (for reasons unrelated to qualifications or job performance); dismissing, demoting or re-assigning such project workers, or outsourcing or modifying the delivery of work, in response to worker organizational activities.

**B. Protecting the Work Force**

**Child Labor and Minimum Age**

17. *A child under the minimum age established in accordance with this paragraph will not be employed or engaged in connection with the project. The labor management procedures will specify the minimum age for employment or engagement in connection with the project, which will be the age of 14 unless national law specifies a higher age.*

**GN17.1.** With regard to risks relating to child labor, the environmental and social assessment considers any inherent risks within the country, the region, the sector or industry in which the project is developed. See also GN39.1.

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**GN17.2.** The project's *labor management procedures* specify the minimum age for employment or engagement in connection with the project as the age specified in law or the age of 14, whichever is higher, and include measures to prevent employing or engaging children under this age. Documentation and verification of age are important steps in preventing employment or engagement of child labor and, as appropriate to the project circumstances, may include the following, which are undertaken prior to the employment or engagement of a project worker and kept on file:

- obtaining written confirmation from the applicant of their age; and
- where there is any reasonable doubt as to the age of the applicant, requesting and reviewing available documents to verify age (such as a birth certificate, national identification card, medical, school record, or other document or community verification demonstrating age).

**GN17.3.** If a child under the minimum age is discovered working on the project, measures will be taken to terminate the employment or engagement of the child in a responsible manner. Such measures will be outlined in *labor management procedures*.

18. A child over the minimum age and under the age of 18 may be employed or engaged in connection with the project only under the following specific conditions:  
(a) the work does not fall within paragraph 19 below;  
(b) an appropriate risk assessment is conducted prior to the work commencing; and  
(c) the Borrower conducts regular monitoring of health, working conditions, hours of work and the other requirements of this ESS.

**GN18.1.** To support monitoring, a separate record of all project workers over the minimum age and under 18 should be created and maintained. This record may include details of their enrolment in school or vocational training programs.

19. A child over the minimum age and under the age of 18 will not be employed or engaged in connection with the project in a manner that is likely to be hazardous<sup>13</sup> or interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral or social development.

Footnote 13. Work considered hazardous for children is work that, by its nature or the circumstances in which it is carried out, is likely to jeopardize the health, safety, or morals of children. Examples of hazardous work activities prohibited for children include work: (a) with exposure to physical, psychological or sexual abuse; (b) underground, underwater, working at heights or in confined spaces; (c) with dangerous machinery, equipment or tools, or involving handling or transport of heavy loads; (d) in unhealthy environments exposing children to hazardous substances, agents, or processes, or to temperatures, noise or vibration damaging to health; or (e) under difficult conditions such as work for long hours, during the night or in confinement on the premises of the employer.

**GN19.1.** In paragraph 19 of ESS2, the reference to a child's education is to compulsory education under national law. The reference to the child's health includes consideration of the child's safety.

**GN19.2.** If a child between the minimum age and 18 years old is working in the project in a manner that is likely to be hazardous, a first step is to consider whether the hazard can be removed. If this is not possible, the child is removed in a responsible manner and, if possible, transferred to an alternative

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position for which a risk assessment has been undertaken, as required by Paragraph 18 of ESS2. Where no such alternatives are possible, the project no longer employs or engages the child.

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**Forced Labor**

20. *Forced labor, which consists of any work or service not voluntarily<sup>14</sup> performed that is exacted from an individual under threat of force or penalty, will not be used in connection with the project. This prohibition covers any kind of involuntary or compulsory labor, such as indentured labor, bonded labor, or similar labor-contracting arrangements. No trafficked persons will be employed in connection with the project.<sup>15</sup>*

*Footnote 14. Work is on a voluntary basis when it is done with the free and informed consent of a worker. Such consent must exist throughout the employment relationship and the worker must have the possibility to revoke freely given consent. In particular, there can be no “voluntary offer” under threat or other circumstances of restriction or deceit. To assess the authenticity of a free and informed consent, it is necessary to ensure that no external constraint or indirect coercion has been carried out, either by an act of the authorities or by an employer’s practice.*

*Footnote 15. Trafficking in persons is defined as the recruitment, transportation, transfer, harboring or receipt of persons by means of the threat or use of force or other forms of coercion, abduction, fraud, deception, abuse of power, or of a position of vulnerability, or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purposes of exploitation. Women and children are particularly vulnerable to trafficking practices.*

**GN20.1.** Forced labor practices may not be immediately apparent. If forced labor is discovered in the project’s workforce, it is important to act promptly to address the practice that has coerced the worker and not recreate conditions of coercion. Any cases of forced labor discovered in the project’s workforce are referred to relevant government authorities and support services, as appropriate, to be addressed in accordance with national law. If national law is inadequate to effectively regulate and implement prohibitions against forced labor, the *labor management procedures* set out measures to address incidents of forced labor and remedy the situation.

**GN20.2.** Examples of conditions which may amount to forced labor include bonded labor (work in satisfaction of a debt of an amount that would be difficult or impossible to pay off), excessive limitations on freedom of movement, excessive notice periods, retaining the worker’s identity and other government-issued documents (such as passports) or personal belongings, imposition of recruitment or employment fees payable by the worker at the commencement of employment, loss or delay of wages that impede the workers’ right to end employment within their legal rights, substantial or inappropriate fines, physical punishment, use of security personnel to force or extract work from project workers, or other restrictions that compel a project worker to work on a non-voluntary basis.

**C. Grievance Mechanism**

21. *A grievance mechanism will be provided for all direct workers and contracted workers<sup>16</sup> (and, where relevant, their organizations) to raise workplace concerns.<sup>17</sup> Such workers will be informed of the grievance mechanism at the time of recruitment and the measures put in place to protect them against reprisal for its use. Measure will be put in place to make the grievance mechanism easily accessible to all such project workers.*

*Footnote 16. For community workers, see paragraph 36.*

*Footnote 17. This grievance mechanism will be provided separately from the grievance mechanism required under ESS10.*

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**GN21.1.** Workplace concerns are usually different from issues raised by project affected parties and other stakeholders, and therefore call for a separate mechanism to address them, as noted in Footnote 17 of ESS2. Further details on the design and implementation of a grievance mechanism are set out in ESS10 and the accompanying guidance.

**GN21.2.** The grievance mechanisms established under ESS2 do not replace or override the requirements to provide workplace processes to report work situations that a project worker believes are not safe or healthy. Project workers should be able to raise concerns regarding unsafe or unhealthy work situations through the grievance mechanism, if they wish to.

**GN21.3.** The Borrower and third parties inform direct and contracted workers, respectively, about the available grievance mechanisms, and how they work. The relevant information should be made available throughout project duration in manner that is clear, understandable, and accessible to workers, for example by including it in workers' handbooks, on notice boards, or similar communication mechanisms.

**GN21.4.** The labor management procedures include reasonable measures so that direct and contracted workers are not subjected to any form of retaliation as a result of any grievance raised.

22. *The grievance mechanism will be proportionate to the nature and scale and the potential risks and impacts of the project. It will be designed to address concerns promptly, using an understandable and transparent process that provides timely feedback to those concerned in a language they understand, without any retribution, and will operate in an independent and objective manner. The grievance mechanism may utilize existing grievance mechanisms, providing that they are properly designed and implemented, address concerns promptly, and are readily accessible to such project workers. Existing grievance mechanisms may be supplemented as needed with project-specific arrangements.*

**GN22.1.** To the extent possible, the project grievance mechanism uses or supplements existing grievance mechanisms. It is important that the grievance mechanism be accessible to all direct and contracted workers, taking into account their different characteristics, for example female workers, migrant workers or workers with disabilities. Where appropriate, consideration can be given to allowing concerns to be raised anonymously and/or to a person other than an immediate supervisor. An effective and appropriate grievance mechanism operates with independence and objectivity, informs workers of the steps being taken to address their concerns, and allows for feedback about the response, within the timeframe specified in the grievance mechanism procedure.

23. *The grievance mechanism will not impede access to other judicial or administrative remedies that might be available under the law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.*

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**D. Occupational Health and Safety (OHS)**

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24. Measures relating to occupational health and safety will be applied to the project. The OHS measures will include the requirements of this Section, and will take into account the General EHSs and, as appropriate, the industry-specific EHSs and other GIIP. The OHS measures applying to the project will be set out in the legal agreement and the ESCP.<sup>18</sup>

Footnote 18. Section 2 of the General Environmental Health and Safety Guidelines (EHSs) on Occupational Health and Safety applies to all projects and can be found at <http://www.ifc.org/wps/wcm/connect/9aef2880488559a983acd36a6515bb18/2%2BOccupational%2BHealth%2Band%2BSafety.pdf?MOD=AJPERES>.

Each of the industry-specific guidelines addresses the OHS issues relevant to the particular industry. Links to each of these guidelines can be found at [http://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+sustai nability/our+approach/risk+management/ehsguidelines](http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustai nability/our+approach/risk+management/ehsguidelines)

**GN24.1.** Measures relating to occupational health and safety (OHS) are aimed at protecting project workers from injury, illness or impacts associated with exposure to hazards encountered in the workplace or while working. Such measures take into account national law requirements on OHS and workplace conditions as they apply to the project, together with the requirements of ESS2. Additional guidance on the management of OHS issues according to GIIP is provided in the [World Bank Group Environmental, Health and Safety Guidelines](#) (EHS Guidelines).

**GN24.2.** The way in which the OHS provisions apply in projects depends on the type of project, the nature and severity of the risks and impacts and the types of workers involved. Appropriate OHS measures are incorporated into the design and implementation of the project to prevent and protect workers from occupational injuries and illness.

25. The OHS measures will be designed and implemented to address: (a) identification of potential hazards to project workers, particularly those that may be life-threatening; (b) provision of preventive and protective measures, including modification, substitution, or elimination of hazardous conditions or substances; (c) training of project workers and maintenance of training records; (d) documentation and reporting of occupational accidents, diseases and incidents; (e) emergency prevention and preparedness and response arrangements to emergency situations;<sup>19</sup> and (f) remedies for adverse impacts such as occupational injuries, deaths, disability and disease.<sup>20</sup>

Footnote 19. These arrangements will be coordinated with the Emergency Preparedness and Response measures established under ESS4.

Footnote 20. Such remedies should take into account, as applicable, the wage level and age of the project worker, the degree of adverse impact, and the number and age of dependents concerned.

**GN25.1.** Hazards may arise from materials (for example, chemical, physical and biological substances and agents), environmental or working conditions (for example, working at heights or in confined spaces, excessive hours of work, night work, mental or physical factors, oxygen-deficient environments, excessive temperatures, improper ventilation, poor lighting, faulty electrical systems or trenches), or work processes (for example, tools, machinery and equipment). OHS measures include the identification

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of potential hazards and responses including design, testing, choice, substitution, installation, arrangement, organization, use and maintenance of workplaces, working environment and work processes to eliminate sources of risk or minimize project workers' exposure.

**GN25.2.** It is good practice to avoid or eliminate sources of hazards to project workers' health and safety, rather than simply addressing the hazard through preventive and protective measures such as personal protective equipment. However, when it is not feasible to avoid or eliminate the hazard, appropriate protective measures are included in the project's OHS measures, such as controlling the hazard at its source through the use of protective solutions (for example, exhaust ventilation systems, isolation rooms, machine guarding, acoustic insulation), and providing adequate personal protective equipment at no cost to the project worker. Protective measures would include hazard labeling in languages understandable to the project workers, training and equipment to prevent occupational exposure to hazardous materials.

**GN25.3.** Some OHS risks may be specific to women workers. It is recommended to include a balanced representation of women on OHS committees to help design policies and practices responding to the needs of female project workers.

**GN25.4.** Project workers should receive OHS training at the start of their employment or engagement, thereafter on a regular basis and when changes are made in the workplace, with records of the training kept on file. Training covers the relevant aspects of OHS associated with daily work, including the ability to stop work without retaliation in situations of imminent danger (as set out in Paragraph 27 of ESS2) and emergency arrangements. Where project workers carry out potentially hazardous activities, more specific training may be appropriate. It is good practice for OHS briefings to be conducted for all visitors and other third parties accessing the project site.

**GN25.5.** In emergency situations, it is important that both project workers and the community understand their roles and responsibilities. Emergency responsiveness is most effective if the Borrower also communicates with other parties who may be involved in prevention, preparedness and response arrangements, for example, local authorities and services, so that they understand their roles and responsibilities and can identify and mobilize the resources that may be required. See also ESS4.

26. *All parties who employ or engage project workers will develop and implement procedures to establish and maintain a safe working environment, including that workplaces, machinery, equipment and processes under their control are safe and without risk to health, including by use of appropriate measures relating to chemical, physical and biological substances and agents. Such parties will actively collaborate and consult with project workers in promoting understanding, and methods for, implementation of OHS requirements, as well as in providing information to project workers, training on occupational safety and health, and provision of personal protective equipment without expense to the project workers.*

**GN26.1.** A number of methods can be used to collaborate and consult with project workers regarding OHS, and to facilitate an awareness and understanding of, and support for, OHS requirements. These include, for example, inviting project workers to appoint safety officers or representatives, or forming health and safety committees, to support collaboration in achieving safety and effective communication of information. In designing and implementing these methods, it is important to consider the experience

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of the project workers, their level of knowledge, their familiarity with OHS requirements and the languages in which they communicate.

27. *Workplace processes will be put in place for project workers to report work situations that they believe are not safe or healthy, and to remove themselves from a work situation which they have reasonable justification to believe presents an imminent and serious danger to their life or health. Project workers who remove themselves from such situations will not be required to return to work until necessary remedial action to correct the situation has been taken. Project workers will not be retaliated against or otherwise subject to reprisal or negative action for such reporting or removal.*

**GN27.1.** The information and training on OHS provided to project workers under Paragraph 26 of ESS2 includes details of the workplace processes that are available to them to report the hazardous work situations referred to Paragraph 27 of ESS2, and to remove themselves from such situations.

28. *Project workers will be provided with facilities appropriate to the circumstances of their work, including access to canteens, hygiene facilities, and appropriate areas for rest. Where accommodation services<sup>21</sup> are provided to project workers, policies will be put in place and implemented on the management and quality of accommodation to protect and promote the health, safety, and well-being of the project workers, and to provide access to or provision of services that accommodate their physical, social and cultural needs.*

*Footnote 21. Those services might be provided either directly by the Borrower or by third parties.*

**GN28.1.** The Borrower may use existing policies and services on the management and quality of accommodation or may develop a policy specifically for the project that responds to Paragraph 28 of ESS2. These are clearly communicated to and required of any contractor or accommodation providers. Monitoring conditions with respect to project-provided accommodation and services is an important element of managing OHS risks and promoting health, safety and well-being of project workers.

**GN28.2.** Services provided to project workers (for example, canteen facilities or a camp store on a construction site), whether directly or through a contractor, are provided in a non-discriminatory manner, and comply with national law and EHSs, particularly in relation to quality, security and safety. Where there are charges to project workers for such services, these should be reasonable and, unless the context of the project makes it necessary, project workers are not required to use the services.

29. *Where project workers are employed or engaged by more than one party and are working together in one location, the parties who employ or engage the workers will collaborate in applying the OSH requirements, without prejudice to the responsibility of each party for the health and safety of its own workers.*

**GN29.1.** Collaboration may be achieved in a number of different ways, with the aim of protecting the health and safety of all project workers in the location. When all parties and project workers understand the respective roles and responsibilities of each party and the structure of authority at a project location or site, coordination in applying the project's OHS requirements is made easier.

**GN29.2.** Different types of projects have different types of hazards and levels of risks in connection with OHS, and may require different people to be responsible for coordination. Coordination on, for example,

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construction projects is important in effectively applying OHS requirements. It is best to assign overall responsibility for the worksite, and the obligation to continuously supervise and coordinate the work being performed, to a specified manager on site, for example a project manager, construction manager or supervising engineer. It is important that the role of the site manager is clearly understood and communicated to all contractors and their workers and that procedures are put in place to facilitate communication between contractors and the site manager.

*30. A system for regular review of occupational safety and health performance and the working environment will be put in place and include identification of safety and health hazards and risks, implementation of effective methods for responding to identified hazards and risks, setting priorities for taking action, and evaluation of results.*

**GN30.1.** A system for reviewing and responding to identified hazards and risks normally includes a procedure for documenting specific incidents such as project-related occupational injuries, illnesses and lost time accidents. The Borrower maintains, and requires all third parties and primary suppliers to maintain, such records. Such records form an input into the regular review of OHS performance and working conditions and other actions called for in Paragraph 30 of ESS2.

**GN30.2.** In the event of an occupational fatality, the Borrower reports to the Bank as soon as becoming aware of the fatality. This is supported by similar reporting obligations by third parties and primary suppliers to the Borrower.

**GN30.3.** Corrective actions are identified and implemented in response to project-related incidents or accidents. Where appropriate, these are included in agreements with third parties, including contractors. The Borrower or, where relevant the third party, may conduct, and upon request share with the Bank, a root cause analysis, to be used as the basis for designing and implementing further corrective actions.

**E. Contracted Workers**

*31. The Borrower will make reasonable efforts to ascertain that third parties<sup>22</sup> who engage contracted workers are legitimate and reliable entities and have in place labor management procedures applicable to the project that will allow them to operate in accordance with the requirements of this ESS, except for paragraphs 34-42.*

*Footnote 22. See footnote 3: this may include contractors, subcontractors, brokers, agents or intermediaries.*

**GN31.1.** Information obtained as part of the process to contract third parties who engage contracted workers helps to ascertain the legitimacy and reliability of the third party. Depending on the nature of the project and the potential risks and impacts, information provided by the third party or otherwise obtained may include:

- information in public records, for example, corporate registers;
- business licenses, registrations, permits and approvals;

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- documents relating to a labor management system, including OHS issues, for example, labor management procedures;
- identification of labor management, safety and health personnel, their qualifications and certifications;
- workers' certifications/permits/training to perform required work;
- records of safety and health violations, and responses;
- accident and fatality records and notifications to authorities;
- records of legally-required worker benefits and proof of workers' enrollment in relevant programs;
- worker payroll records, including hours worked and pay received;
- identification of safety committee members and records of meetings;
- copies of previous contracts with contractors and suppliers, showing inclusion of provisions and terms reflecting ESS2.

32. *The Borrower will establish procedures for managing and monitoring the performance of such third parties in relation to the requirements of this ESS. In addition, the Borrower will incorporate the requirements of this ESS into contractual agreements with such third parties, together with appropriate non-compliance remedies. In the case of subcontracting, the Borrower will require such third parties to include equivalent requirements and non-compliance remedies in their contractual agreements with subcontractors.*

**GN32.1.** The project's labor management procedures set out the ways in which the Borrower will manage and monitor the performance of third parties in relation to contracted workers, focusing on compliance by such third parties with their contractual agreements (obligations, representations and warranties). As appropriate to the project, this may include periodic audits, inspections and/or spot checks of project locations or work sites and/or of labor management records and reports compiled by third parties. Third parties' labor management records and reports may include: (i) a representative sample of employment contracts or arrangements between third parties and contracted workers; (ii) records relating to grievances received and their resolution; (iii) reports relating to safety inspections, including fatalities and incidents and implementation of corrective actions; (iv) training provided for contracted workers to explain labor and working conditions and OHS for the project.

33. *Contracted workers will have access to a grievance mechanism. In cases where the third party employing or engaging the workers is not able to provide a grievance mechanism to such workers, the Borrower will make the grievance mechanism provided under Section C of this ESS available to the contracted workers.*

**GN33.1.** If the grievance mechanism is provided by the third party for contracted workers, the third party reports regularly on concerns raised by the contracted workers, and the way in which they were resolved.

**GN33.2.** If a third party is not able to deal with workers' concerns, as indicated in Paragraph 33 of ESS2, the project's grievance mechanism is made available to the contracted workers and the Borrower brings any concerns received through the project grievance mechanism to the attention of the third party for resolution.

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**F. Community Workers**

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34. Projects may include the use of community workers in a number of different circumstances, including where labor is provided by the community as a contribution to the project, or where projects are designed and conducted for the purpose of fostering community-driven development, providing a social safety net<sup>23</sup> or providing targeted assistance in fragile and conflict-affected situations. Given the nature and objectives of such projects, the application of all requirements of ESS2 may not be appropriate. In all such circumstances, the Borrower will require measures<sup>24</sup> to be implemented to ascertain whether such labor is or will be provided on a voluntary basis as an outcome of individual or community agreement.<sup>25</sup>

Footnote 23. For example, food-for-work programs and public works as safety nets programs.

Footnote 24. These measures will be documented in the labor management procedures.

Footnote 25. See footnote 14.

35. Accordingly, where the project includes the provision of labor by community workers, the Borrower will apply the relevant provisions of this ESS in a manner which reflects and is proportionate to:

- (a) the nature and scope of the project;
- (b) the specific project activities in which the community workers are engaged; and
- (c) the nature of the potential risks and impacts to the community workers.

Paragraphs 9 to 15 (Working Conditions) and paragraphs 24 to 30 (Occupational Health and Safety) will be assessed in relation to community labor, and will be applied in a manner which reflects (a) to (c) above. The way in which these requirements will apply in the circumstances of the project will be set out in the labor management procedures.

**GN34.1.** The type of projects in which community workers are involved can vary considerably in terms of complexity, duration and type of work, number of workers involved, types of project benefits, and the way in which ESS2 applies to the participation of community workers. Examples range from projects where the objective is to construct small-scale community infrastructure to regional or national projects designed to provide a social safety net to address unemployment or underemployment. The application of ESS2 to such projects is designed to address the relevant risks and impacts in a proportionate manner, tailored to the specific context, objectives and design of the project.

**GN34.2.** For example, where the objective of the project is the construction of community infrastructure for the benefit of an identified community, with labor being provided directly by members of that community, ESS2 requirements relating to OHS (Section D) and child and forced labor (Section B), may be of most relevance. While the community may be contributing its labor, it would be important to check the safety of the working environment, the age of community workers, and the terms on which labor is being mobilized.

**GN34.3.** Other projects may be of broader scope and more long-term, such as those aimed at addressing structural issues of unemployment or underemployment, including training, or providing assistance as a response in fragile or conflict-affected situations. In such projects, the elements of ESS2 that may be most relevant may relate to wages, terms and conditions of employment, and training (Section A).

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**GN34.4.** It is important that the labor in a project involving community workers is provided on a voluntary basis. The definition of voluntary work is provided in Footnote 14 of ESS2. It is good practice, where appropriate, to document the agreement that is reached with community workers on an individual basis, setting out the details of what has been agreed, the way in which the community workers are to be treated, and how the community workers may be represented. See ESS10 for a further discussion on representation. It also is good practice to prepare minutes of meetings with the community and community workers to discuss and agree the terms of their engagement with the project and to share the minutes with the community workers and their representatives.

**GN35.1.** Issues to be taken into account in assessing how to apply ESS2 in a proportionate manner include consideration of the age, gender, and specific vulnerability of the individual or group of community workers in relation to the nature of the project's risks and impacts and the project activities to be conducted by those workers. From a health and safety perspective, it may be appropriate to assess the health and safety risks to which the community workers may be exposed, the ability to prevent or eliminate such risks or, if the risk cannot be prevented or eliminated, the ability to protect community workers from exposure.

*36. In preparing the labor management procedures, the Borrower will clearly identify the terms and conditions on which community labor will be engaged, including amount and method of payment (if applicable) and times of work. The labor management procedures will also specify the way in which community workers can raise grievances in relation to the project. The Borrower will assess the potential risks and impacts of the activities to be conducted by community workers and, at a minimum, apply the relevant requirements of the General EHSs and industry-specific EHSs.*

**GN36.1.** While community workers can raise grievances in relation to the project, in many cases the nature of such grievances and the way in which they are addressed and resolved may differ from those of other project workers. For this reason, the project grievance mechanism may be adapted to reflect the specific characteristics of the community workers and the project.

**GN36.2.** Where community workers are expected in the project, the project's *labor management procedures* set out details relating to the terms and conditions of engaging community workers, the way in which grievances will be addressed and any additional measures designed to mitigate specific risks and impacts relating to the community workers under the project.

*37. The Borrower will assess whether there is a risk of child labor or forced labor within community labor, identifying those risks consistent with paragraphs 17 to 20 above. The labor management procedures will set out roles and responsibilities for monitoring community workers. If cases of child labor or forced labor are identified, the Borrower will take appropriate steps to remedy them.*

**GN37.1.** See GN Paragraphs 17 to 20 of ESS2 on child and forced labor.

*38. The review system established pursuant to paragraph 30 will take into account the provision of labor by community workers in the project, and that adequate training is provided to such workers, tailored to their particular needs and the potential risks and impacts of the project.*

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**GN38.1.** Communication with community workers, in a language and form understandable to them, is important, so that they know what to expect from the project, and their own responsibilities under the project. It is recommended to conduct tailored training of community workers on a regular basis, as appropriate to the potential risks and impacts of the project.

**G. Primary Supply Workers**

39. *As part of the environmental and social assessment, the Borrower will identify potential risks of child labor, forced labor and serious safety issues which may arise in relation to primary suppliers.*

**GN39.1.** The environmental and social assessment identifies, to the extent possible, the types of goods and materials to be obtained from primary suppliers. Where potential child labor, forced labor and serious safety risks are identified or are prevalent or known to exist in a specific sector, industry or region in connection with the supply of such goods and materials, a mapping exercise may be appropriate, to identify possible suppliers and the extent to which they may present such risks.

**GN39.2.** Where it is not possible to identify specific primary suppliers, it may be helpful to review industry labor issues relating to the supply of such goods and materials, and the risks. It is also useful to periodically update the assessment of potential risks that may arise in relation to primary suppliers of the project during project implementation. Tracking of suppliers' performance helps inform whether procedures and mitigation measures are being appropriately implemented and provide feedback on performance and any new areas of risk.

**GN39.3.** Where appropriate, specific requirements on child labor, forced labor and work safety issues are included in all purchasing orders and contracts with suppliers.

40. *Where there is a significant risk of child labor or forced labor related to primary supply workers, the Borrower will require the primary supplier to identify those risks consistent with paragraphs 17 to 20 above. The labor management procedures will set out roles and responsibilities for monitoring primary suppliers. If child labor or forced labor cases are identified, the Borrower will require the primary supplier to take appropriate steps to remedy them.*

41. *Additionally, where there is a significant risk of serious safety issues related to primary supply workers, the Borrower will require the relevant primary supplier to introduce procedures and mitigation measures to address such safety issues. Such procedures and mitigation measures will be reviewed periodically to ascertain their effectiveness.*

42. *The ability of the Borrower to address these risks will depend upon the Borrower's level of control or influence over its primary suppliers. Where remedy is not possible, the Borrower will, within a reasonable period, shift the project's primary suppliers to suppliers that can demonstrate that they are meeting the relevant requirements of this ESS.*

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**GN42.1.** The Borrower's ability to influence its primary suppliers depends on the terms and conditions of contracts with the primary supplier. Except in exceptional circumstances, the Borrower's influence is not deemed to include the ability, as a sovereign state, to regulate such activities outside of the project.

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*The Guidance Notes provide guidance for the Borrower on the application of the Environmental and Social Standards (ESSs), which form part of the World Bank’s 2016 Environmental and Social Framework. The Guidance Notes help to explain the requirements of the ESSs; they are not Bank policy, nor are they mandatory. The Guidance Notes do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Guidance Notes and the ESSs, the provisions of the ESSs prevail. Each paragraph of the Standard is highlighted in a box, followed by the corresponding guidance.*

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**Introduction**

1. ESS4 recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. In addition, communities that are already subjected to impacts from climate change may also experience an acceleration or intensification of impacts due to project activities.

2. ESS4 addresses the health, safety, and security risks and impacts on project-affected communities and the corresponding responsibility of Borrowers to avoid or minimize such risks and impacts, with particular attention to people who, because of their particular circumstances, may be vulnerable.

**Objectives**

- To anticipate and avoid adverse impacts on the health and safety of project-affected communities during the project life-cycle from both routine and non-routine circumstances.
- To promote quality and safety, and considerations relating to climate change, in the design and construction of infrastructure, including dams.
- To avoid or minimize community exposure to project-related traffic and road safety risks, diseases and hazardous materials.
- To have in place effective measures to address emergency events.
- To ensure that the safeguarding of personnel and property is carried out in a manner that avoids or minimizes risks to the project-affected communities.

**Scope of Application**

3. The applicability of this ESS is established during the environmental and social assessment described in ESS1.

4. This ESS addresses potential risks and impacts on communities that may be affected by project activities. Occupational health and safety (OHS) requirements for project workers are set out in ESS2, and measures to avoid or minimize impacts on human health and the environment due to existing or potential pollution are set out in ESS3.

**Requirements**

**A. Community Health and Safety**

5. The Borrower will evaluate the risks and impacts of the project on the health and safety of the affected communities during the project life-cycle, including those who, because of their particular circumstances, may be vulnerable. The Borrower will identify risks and impacts and propose mitigation measures in accordance with the mitigation hierarchy.

**GN5.1.** Community health and safety risks can be addressed by, for example, incorporating safe road crossings into project design; implementing sensitization and specific mitigation measures for social impacts from labor influx during construction; establishing emergency response planning and

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monitoring for pollution or other incidents during operation; and putting in place protocols for temporary blasting during demolition at the reinstatement or restoration phase.

**GN5.2.** Some groups within a community may be particularly vulnerable to health and safety risks from a project because of, for example, their age, health, level of education, gender and/or disability. Identifying individual groups considered to be vulnerable is an important part of the environmental and social assessment.

**GN5.3.** Where an assessment identifies risks that may arise from the interaction of project workers with local communities, the environmental and social documents for the project describe such risks and measures to address them. Such measures can include, more generally, raising awareness among project workers of risks, expected behaviors, and consequences for violations, communicated through training, and publicized codes of conduct. It may also be important to raise awareness of the risks among community members and inform them about available grievance mechanisms. Where appropriate, the risks and mitigation measures relating to project workers should also be reflected in the *labor management procedures* for the project as discussed in GN9.4 of ESS2.

**Infrastructure and Equipment Design and Safety**

6. *The Borrower will design, construct, operate, and decommission the structural elements of the project in accordance with national legal requirements, the ESHGs and other GIIP, taking into consideration safety risks to third parties and affected communities. Structural elements of a project will be designed and constructed by competent professionals, and certified or approved by competent authorities or professionals.<sup>1</sup> Structural design will take into account climate change considerations, as appropriate.*

*Footnote 1. This may include, where appropriate, third-party life and fire safety audits for existing buildings that are used for communal purposes and for new buildings prior to their commissioning or use.*

**GN6.1.** “Structural elements” are the physical parts of the project. They may include, among others, existing or new buildings, earthworks, bridges, retaining walls, drainage ditches, roadways, penstocks, water and irrigation channels, pylons, air conditioning units, power stations, and dams.

**GN6.2.** Third parties referred to in ESS4 may include members of the public, businesses or the users of infrastructure that are not considered affected communities.

**GN6.3.** The certification or approval process by competent authorities or professionals reflects the risk of adverse consequences posed by the nature and use of the structural elements, and the natural conditions of the area (e.g. potential for hurricanes, earthquakes, flooding). The process also takes into account the relevant engineering safety considerations, such as geotechnical, structural, electrical, and mechanical specifications. Similar considerations apply in determining whether third-party life and fire safety audits are required.

**GN6.4.** The types of measures that can be incorporated to reflect climate change considerations are discussed in more detail in the ESHGs and GIIP.

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7. *Where the project includes new buildings and structures that will be accessed by members of the public, the Borrower will consider the incremental risks of the public's potential exposure to operational accidents or natural hazards, including extreme weather events. Where technically and financially feasible, the Borrower will also apply the concept of universal access<sup>2</sup> to the design and construction of such new buildings and structures.*

*Footnote 2. The concept of universal access means unimpeded access for people of all ages and abilities in different situations and under various circumstances, as set out in GIIP.*

**GN7.1.** Where national laws or regulations have mandatory requirements on accessibility, these are incorporated into the design of the project, together with any additional measures needed to meet the universal accessibility requirements of Footnote 2.

**GN7.2.** Steps taken when applying the concept of universal access in the design and construction of new buildings and structures, such as schools, public facilities or roads may include, where technically and financially feasible:

- (a) Considering universal access as part of the design of the project;
- (b) Seeking input from stakeholders, such as potential users of the buildings and structures and organizations representing disabled people; and
- (c) Explicitly incorporating considerations relating to universal access into procurement documents.
- (d) Considering local accessibility standards, and codes on universal access and non-discrimination.

**GN7.3.** Examples of measures to support universal access in buildings or structures include sidewalks with ramps and drop curbs, clear and visible signs, tactile strips, audible announcement of signs, appropriate placement and height of equipment, easily identified emergency exits, raised toilet seats and handrails, and wide doors.

8. *When structural elements or components of a project are situated in high-risk locations, including those with risk of extreme weather or slow onset events, and their failure or malfunction may threaten the safety of communities, the Borrower will engage one or more independent experts with relevant and recognized experience in similar projects, separate from those responsible for the design and construction, to conduct a review as early as possible in project development and throughout the stages of project design, construction, operation, and decommissioning. Where the project involves a new or existing dam, the Borrower will provide sufficient resources to apply the requirements on safety of dams, as set out in Annex 1.*

**GN8.1.** Examples of high-risk locations include those where communities are vulnerable to failure or malfunction of structural elements of the project because of heightened level of environmental risk, for example, from earthquakes, landslides, drought, floods, cyclones, wildfires and storms. Slow onset changes because of climate change may include changing current patterns, sea level rise, increasing temperatures and desertification. Where such situations are relevant to the project appropriate expert are engaged based on the significance and type of risks, and the assessment that may be required.

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**Safety of Services**

9. Where the project involves provision of services to communities, the Borrower will establish and implement appropriate quality management systems to anticipate and minimize risks and impacts that such services may have on community health and safety. In such circumstances, the Borrower will also apply the concept of universal access, where technically and financially feasible.

**GN9.1.** Projects may provide many kinds of services to communities, such as those relating to education and health, social security and social protection, transport and utilities, such as electricity and gas, water and sanitation, and waste disposal. Management systems that address the safety of such services are important because without adequate protection measures the provision of such services can present dangers for communities. Such systems address the community health and safety risks posed by project services, for example, risks associated with water or irrigation canals, quarries or excavation works, or the dangers of electric shock from electrical cabinets or cables.

**GN9.2.** The management systems allow for timely identification of community health and safety risks, are designed with reference to national and internationally recognized standards, and support the development and monitoring of appropriate mitigation measures during the design, construction, operation, or provision of such services.

**Traffic and Road Safety**

10. The Borrower will identify, evaluate and monitor the potential traffic<sup>3</sup> and road safety risks to workers, affected communities and road users throughout the project life-cycle and, where appropriate, will develop measures and plans to address them. The Borrower will incorporate technically and financially feasible road safety measures into the project design to prevent and mitigate potential road safety risks to road users and affected communities.

Footnote 3. May include all motorized transportation relevant to the project.

**GN10.1.** Motorized transportation covers different kinds of transportation used in a project, which primarily concerns roads, but may also include air and sea traffic.

11. Where appropriate, the Borrower will undertake a road safety assessment for each phase of the project, and will monitor incidents and accidents, and prepare regular reports of such monitoring. The Borrower will use the reports to identify negative safety issues, and establish and implement measures to resolve them

**GN11.1.** Projects may involve construction of new roads or rehabilitation or structural changes/improvements to existing roads which can create traffic and road safety risks. Indirect changes to traffic flow or volume on an existing road may also create risks, for example when construction of a new bypass leads to increased traffic speeds on local roads due to reduced congestion. Communities affected by traffic and road safety issues include those alongside, bisected or fragmented by a road associated with the project. Shops, stalls and residential properties may all be affected, along with people present on the road itself, whether non-motorized (pedestrians and cyclists) or motorized (on motorcycles, in cars, trucks or buses).

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**GN11.2.** For projects that affect traffic flow or volume on existing roads, the environmental and social assessment considers the risks arising from the proposed changes, paying attention to vehicle mix, volume, speed and condition (including vehicle weight, height, length and any hazardous materials likely to be carried). Other aspects to be considered include lane widths, slopes, speed management, road side uses, pedestrian usage and facilities. and any risks that these may pose.

**GN11.3.** The identification of risks begins at project identification, so that measures to address potential risks can be incorporated into the project design. As part of the environmental and social assessment, aspects of the project design, such as junction layout, alignment, road signs and signals, provision of pedestrian footways and crossings, barriers (for pedestrians and vehicles), median layout, and access to public transport, are reviewed, taking into account risks that may materialize through the project life-cycle.

**GN11.4.** A road safety assessment is conducted as part of the environmental and social assessment when the traffic and road safety issues are likely to be significant for the community or road users, for example in projects that involve new roads, road improvements, traffic management, increasing traffic speed, bus rapid transport and other forms of urban transport that may change the traffic mix. The assessment considers risks to pedestrians, for example from bisecting communities or pedestrian routes, creating transport nodes, or affecting access to or traffic on a road. Both construction-related and operational risks are considered.

**GN11.5.** As appropriate, details of the road safety measures are set out in the road safety assessment or incorporated in a plan relating to health and safety or traffic management. Such plans set out specific safety measures, for example measures necessary to manage traffic speeds, or provide controls for single lane two-way traffic.

**GN11.6.** Information on traffic incidents and accidents issued to help manage traffic risks and impacts, and make improvements to safety measures throughout the project life cycle. Monitoring and reporting covers details of fatalities, injuries, crash types and locations. An emergency response plan (ERP) may be appropriate to describe the contingencies in place for emergency assistance in the event of incidents and injuries (see Paragraph 20 of ESS4). It is recommended to develop the ERP in consultation with the local communities and local emergency responders.

*12. For vehicles or fleets of vehicles for the purposes of the project (owned or leased), the Borrower will put in place appropriate processes, including driver training, to improve driver and vehicle safety, as well as systems for monitoring and enforcement. The Borrower will consider the safety record or rating of vehicles in purchase or leasing decisions and require regular maintenance of all project vehicles.*

**GN12.1.** Vehicles or fleets of vehicles for project purposes may include construction vehicles, logging vehicles, cars, trucks, school buses, ambulances, and in certain circumstances, boats and aircraft.

**GN12.2.** Processes designed to promote driver and vehicle safety would provide for vehicles to be maintained and inspected/tested regularly, and for drivers to be provided with appropriate training. Other issues to be addressed would include compliance with speed limits, seat belt use, and helmet use

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for motorcycle riders. Driver fitness assessments, GPS in vehicles, and control of infractions received may all form part of monitoring programs.

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13. For projects that operate construction and other equipment on public roads or where the use of project equipment could have an impact on public roads or other public infrastructure, the Borrower will take appropriate safety measures to avoid the occurrence of incidents and injuries to members of the public associated with the operation of such equipment.

**Ecosystem Services**

14. The project's direct impacts on ecosystem services may result in adverse health and safety risks to and impacts on affected communities.<sup>4</sup> With respect to this ESS, ecosystem services are limited to provisioning and regulating services as defined in ESS1. Where appropriate and feasible, the Borrower will identify the project's potential risks and impacts on ecosystem services that may be exacerbated by climate change. Adverse impacts will be avoided, and if they are unavoidable, the Borrower will implement appropriate mitigation measures.

Footnote 4. For example, land use changes or the loss of natural buffer areas, such as wetlands, mangroves and upland forests, which mitigate the effects of natural hazards such as flooding, landslides and fire, may result in increased vulnerability and community safety-related risks and impacts. The diminution or degradation of natural resources, such as adverse impacts on the quality, quantity, and availability of freshwater, may result in health-related risks and impacts.

**GN14.1.** As defined in Footnote 27 of ESS1, ecosystem services are the benefits that people derive from ecosystems. The provisioning services that ecosystems provide include the products people obtain from the ecosystems, such as food, freshwater, timbers, fibers and medicinal plants. Regulating services of ecosystems are the benefits people obtain from the regulation of ecosystem processes, such as surface water purification, carbon storage and sequestration, climate regulation and protection from natural hazards.

**Community Exposure to Health Issues**

15. The Borrower will avoid or minimize the potential for community exposure to water-borne, water-based, water-related, and vector-borne diseases, and communicable and non-communicable diseases that could result from project activities, taking into consideration differentiated exposure to and higher sensitivity of vulnerable groups. Where specific diseases<sup>5</sup> are endemic in communities in the project area, the Borrower is encouraged to explore opportunities during the project life-cycle to improve environmental conditions that could help minimize their incidence.

Footnote 5. Such as malaria.

**GN15.1.** Water-borne diseases are caused by consuming water contaminated by human, animal, or chemical wastes. These diseases are especially prevalent in areas lacking access to adequate sanitation facilities, and include cholera, diarrhea and typhoid.

**GN15.2.** Water-based diseases are caused by parasites that spend at least part of their life cycle in water. These diseases include guinea worm and schistosomiasis. Water-related diseases are those transmitted

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by vectors that live and breed in or around water. Vectors are insects or animals that carry and transmit parasites between infected people or animals, such as the mosquitos that transmit malaria.

**GN15.3.** Vector-borne diseases are caused by pathogens and parasites in human populations transmitted by vectors. These diseases include Chagas disease, human African trypanosomiasis, Japanese encephalitis, leishmaniosis, malaria, onchocerciasis, schistosomiasis and yellow fever.

**GN15.4.** Communicable diseases (infectious diseases) are transmissible from person to person through air, blood or other bodily fluid and include hepatitis, cholera, HIV/AIDS, influenza, polio, syphilis and tuberculosis.

**GN15.5.** Non-communicable diseases are illnesses that are not passed from person to person. They tend to be of long duration and generally slow progression and are of four main types: cardiovascular diseases (for example, heart attacks and stroke); cancers; chronic respiratory diseases (for example, chronic obstructive pulmonary disease and asthma); and diabetes.

**GN15.6.** The types of projects that may contribute to increased health risks and, therefore, call for particular consideration, include projects that create permanent or temporary water bodies that may increase incidences of water-borne diseases, such as dams, irrigation schemes, construction pits or other depressions; projects in areas that lack adequate sanitary wastewater discharge and treatment infrastructure; projects that may result in exposure to hazardous material or contribute to a higher incidence of non-communicable diseases; or projects that exacerbate existing health conditions.

**GN15.7.** Project-related health risks are assessed as part of the environmental and social assessment or, depending on the nature and significance of the project activities and the potential risks and impacts, through a standalone health impact assessment. Where appropriate, measures to avoid, minimize, or mitigate risks and impacts identified during the assessment are integrated into the project's design and implemented throughout the life-cycle of the project.

**GN15.8.** Health risks from project activities may differ within communities, depending in various factors that can contribute to vulnerability, including gender, physical or mental illness or disability, poverty or economic disadvantage, or dependence on unique natural resources. For example, households that rely on water directly from natural sources may be more at risk of water-borne and water-based diseases than those who receive water from a distribution network.

16. *The Borrower will take measures to avoid or minimize transmission of communicable diseases that may be associated with the influx of temporary or permanent project labor.*

**GN16.1.** Labor influx is when all or part of a labor force for a project comes from outside the area of the project. In some cases, other people may follow the incoming work force with the aim of selling them goods and services or in pursuit of job or business opportunities. Further guidance is provided in the World Bank's Guidance Note on Managing Risks Related to Labor Influx, available on the World Bank's website.

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**GN16.2.** The project's environmental and social assessment is the main mechanism for determining the risk of communicable diseases as a result of labor influx, and where appropriate, identifying measures to avoid, minimize, or mitigate the transmission of such diseases. It is important to establish a baseline as part of the environmental and social assessment for monitoring and managing these risks. Risks and impacts may be potentially more significant in certain circumstances, for example, when large numbers of project workers, contractors and third parties are involved in project activities, or due to the sensitivity of project location or the characteristics of the affected communities.

**Management and Safety of Hazardous Materials**

17. *The Borrower will avoid or minimize the potential for community exposure to hazardous materials and substances that may be released by the project. Where there is a potential for the public (including workers and their families) to be exposed to hazards, particularly those that may be life-threatening, the Borrower will exercise special care to avoid or minimize their exposure by modifying, substituting, or eliminating the condition or material causing the potential hazards. Where hazardous materials are part of existing project infrastructure or components, the Borrower will exercise due care during construction and implementation of the project, including decommissioning, to avoid exposure to the community.*

18. *The Borrower will implement measures and actions to control the safety of deliveries of hazardous materials, and of storage, transportation and disposal of hazardous materials and wastes, and will implement measures to avoid or control community exposure to such hazardous material.*

**GN18.1.** Hazardous materials and wastes are defined in the EHSs as materials that present a risk to human health, property and the environment due to their physical or chemical characteristics. These can include: explosives; compressed gases, including toxic or flammable gases; flammable liquids; flammable solids; oxidizing substances; toxic materials; radioactive material; corrosive substances; chemical fertilizers; soil amendments; chemicals, oils and other hydrocarbons; paints; pesticides; herbicides; fungicides; asbestos; metal waste; hospital waste; used batteries; radioactive medical waste; fluorescent light bulbs and ballasts; byproducts of plastic incineration at low temperatures; and PCBs in electrical equipment.

**GN18.2.** The risks and impacts on community health from hazardous materials that may be used during project activities are considered as part of the environmental and social assessment. It is important to note that risks to the community may occur during the transport of hazardous materials to and from project sites, as well as from exposure during project activities.

**GN18.3.** Understanding how community members may be exposed to project-related hazardous material taking into account the different activities and use of resources by members of the community, in particular those most vulnerable to exposure, helps to identify appropriate mitigation measures. For example, women may be particularly susceptible to exposure to contaminants in water when carrying out domestic activities, or children may be affected by contaminated soils or water while at play.

**GN18.4.** Where the risks and impacts of community exposure to hazardous materials and wastes are potentially significant, it may be appropriate to develop a Hazardous Waste Management Plan or a

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Hazardous Materials Management Plan for implementation of mitigation measures throughout the project life-cycle.

**Emergency Preparedness and Response**

19. *The Borrower will identify and implement measures to address emergency events. An emergency event is an unanticipated incident, arising from both natural and man-made hazards, typically in the form of fire, explosions, leaks or spills, which may occur for a variety of different reasons, including failure to implement operating procedures that are designed to prevent their occurrence, extreme weather or lack of early warning. The measures will be designed to address the emergency event in a coordinated and expeditious manner, to prevent it from injuring the health and safety of the community, and to minimize, mitigate and compensate for any impacts that may occur.*

20. *Borrowers engaged in projects having the potential to generate emergency events will conduct a risk hazard assessment (RHA), as part of the environmental and social assessment undertaken pursuant to ESS1. Based on the results of the RHA, the Borrower will prepare an Emergency Response Plan (ERP) in coordination with the relevant local authorities and the affected community, and will take into account the emergency prevention, preparedness and response arrangements put into place with project workers under ESS2.<sup>6</sup>*

*Footnote 6. ESS2, paragraph 25.*

**GN20.1.** A Risk Hazard Assessment (RHA) is a mechanism to identify potential risks to community health and safety that are caused by man-made or natural emergency events. Where such emergency events could have a significant impact on the communities, for example, fire, explosions, leaks or spills, this assessment can be conducted either as part of the environmental and social assessment or as a stand-alone activity. When there are risks that hazardous material or substances may be released by a project, the potential for emergency events needs to be assessed. The RHA can help determine if such emergency events call for the preparation of an Emergency Response Plan (ERP), which describes the measures to be put into place to address the emergency and protect those at risk.

**GN20.2.** In preparing the ERP, it is important that the views of all segments of the local community, including the elderly, children and any vulnerable groups that may be present, along with those of the emergency services/local response teams and relevant government agencies, be taken into consideration.

21. *An ERP will include, as appropriate: (a) engineering controls (such as containment, automatic alarms, and shut-off systems) proportionate to the nature and scale of the hazard; (b) identification of and secure access to emergency equipment available on-site and nearby; (c) notification procedures for designated emergency responders; (d) diverse media channels for notification of the affected community and other stakeholders; (e) a training program for emergency responders including drills at regular intervals; (f) public evacuation procedures; (g) designated coordinator for ERP implementation; and (h) measures for restoration and clean-up of the environment following any major accident.*

**GN21.1.** Specific requirements for ERPs related to dams are described in Annex 1 of ESS4 on Safety of Dams.

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22. *The Borrower will document its emergency preparedness and response activities, resources, and responsibilities, and will disclose appropriate information, as well as any subsequent material changes thereto, to affected communities, relevant government agencies, or other relevant parties. The Borrower will assist and collaborate with affected communities, relevant government agencies and other relevant parties in their preparations to respond effectively to an emergency event, especially where their participation and collaboration will be an important part of an effective response.*

**GN22.1.** The effective implementation of an ERP means that all parties work together in a coordinated manner – parties implementing the project and project workers, emergency services, government agencies and the local community – and understand their respective roles in the event of an emergency. These roles and responsibilities are agreed with the relevant agencies and in consultation with concerned parties. It is important to disclose the ERP to allow affected parties to understand exactly what action to take in the event of an emergency. At the same time, it is also important to avoid disclosure of sensitive information regarding security of the project. ESS10 provides more information on disclosure.

23. *The Borrower will review the ERP on a regular basis, and confirm that it is still capable of addressing the potential range of emergency events that might arise in connection with the project. The Borrower will support affected communities, relevant government agencies and other relevant parties through training and collaboration, and will conduct such training in conjunction with the training provided to project workers as part of the OHS requirements under ESS2.*

**GN23.1.** Reviewing the ERP for a project on a regular basis helps to ensure that they continue to address the emergency event risks of the project throughout its life-cycle. Where equipment is needed in an emergency response, such as fire-fighting, training and reviews of the availability and suitability of such equipment are important elements of the ERP.

**B. Security Personnel**

24. *When the Borrower retains direct or contracted workers to provide security to safeguard its personnel and property, it will assess risks posed by these security arrangements to those within and outside the project site. In making such arrangements, the Borrower will be guided by the principles of proportionality and GIPP, and by applicable law, in relation to hiring, rules of conduct, training, equipping, and monitoring of such security workers. The Borrower will not sanction any use of force by direct or contracted workers in providing security except when used for preventive and defensive purposes in proportion to the nature and extent of the threat.*

**GN24.1.** Decisions on the appropriate scope of the project’s security arrangements are guided by an assessment of (i) potential risks to the project’s personnel and property, that may require a security response; (ii) appropriate responses to the identified security risks; (iii) potential impacts of a security incident on the project, local communities and other parties; and (iv) potential mitigation measures.

**GN24.2.** It is important to design and implement security arrangements that are proportional to the nature and significance of identified security risks and the project’s operating environment, and that take into account both GIPP and national law. For example, for projects in low- to medium-risk contexts, fencing, sign-posting, lighting, basic security awareness training and a security guard may be all that is

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needed to manage security risks. For larger, more complex projects or projects in high-risk contexts, more comprehensive security arrangements may be necessary. For some projects, it may be appropriate to engage external security experts to prepare more comprehensive and detailed risk assessments and management plans.

**GN24.3.** Periodic assessment of security risks during the life of the project allows security arrangements to be updated to reflect any new risks or changes in the operating environment. It is good practice for security arrangements to be reviewed annually, or when a major event occurs that could affect the security of the project or the project's operating environment.

**GN24.4.** The security arrangements for a project may themselves pose risks and impact on project workers and local communities. It is important to take these risks and impacts into consideration and to determine measures to address them, and this should be part of the ongoing stakeholder engagement on the project, as described in ESS10. Project-level grievance mechanisms that are available to project workers, local communities and other stakeholders allow them to provide feedback on the project's security arrangements and personnel.

**GN24.5.** Appropriate conduct is expected of the private security forces employed by the project. Contractual arrangements provide clear instructions on the limited circumstances in which force may be used to protect the project's personnel or property. Adequate protocols should also be in place and implemented for security services provided by government entities.

25. *The Borrower will seek to ensure that government security personnel deployed to provide security services act in a manner consistent with paragraph 24 above, and encourage the relevant authorities to disclose the security arrangements for the Borrower's facilities to the public, subject to overriding security concerns.*

26. *The Borrower will (i) make reasonable inquiries to verify that the direct or contracted workers retained by the Borrower to provide security are not implicated in past abuses; (ii) train them adequately (or determine that they are properly trained) in the use of force (and where applicable, firearms), and appropriate conduct toward workers and affected communities; and (iii) require them to act within the applicable law and any requirements set out in the ESCP.*

27. *The Borrower will review all allegations of unlawful or abusive acts of security personnel, take action (or urge appropriate parties to take action) to prevent recurrence and, where necessary, report unlawful and abusive acts to the relevant authorities.*

**GN27.1.** It is important that the project-level grievance mechanism be able to accept concerns or complaints regarding the conduct of security personnel and that such concerns and complaints, as well as any associated evidence and facts, be promptly documented and assessed and action be taken to prevent recurrence. The responses implemented in response to complaints are monitored and the outcomes communicated to relevant parties, taking into account the need to protect the confidentiality of victims and complainants.

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**ESS4-ANNEX 1. Safety of Dams**

**A. New Dams**

1. The Borrower will engage experienced and competent professionals for the supervision of the design and construction of new dams,<sup>1</sup> and require the owner of the dam to adopt and implement dam safety measures during the design, bid tendering, construction, operation, and maintenance of the dam and associated works.

Footnote 1. Dams include, for example, a water storage dam for a hydropower, water supply, irrigation, flood control, or multipurpose project, a tailings or a slimes dam, or an ash impoundment dam.

2. The dam safety requirements set out in this Annex apply to:

(a) "Large dams" which are defined as dams with a height of 15 meters or greater from the lowest foundation to crest or dams between 5 meters and 15 meters impounding more than 3 million cubic meters;

(b) All other dams regardless of size or retention capacity (referred to as "small dams") that (i) could cause safety risks, such as an unusually large flood-handling requirement, location in a zone of high seismicity, foundations that are complex and difficult to prepare, retention of toxic materials, or potential for significant downstream impacts or (ii) are expected to become large dams during their operating life.

3. The dams referred to in paragraph 2 require:

(a) Reviews by an independent panel of experts (the Panel) of the investigation, design, and construction of the dam and the start of operations;

(b) Preparation and implementation of the following detailed plans, as further described in Section C2:<sup>2</sup> a plan for construction supervision and quality assurance, an instrumentation plan, an operation and maintenance plan, and an emergency preparedness plan;

(c) Prequalification of bidders during procurement and bid tendering; and

(d) Periodic safety inspections of the dam after completion, and implementation of measures required to address safety deficiencies.

Footnote 2. As part of established dam safety practices in certain countries, the Operation and Maintenance (O&M) Plan includes the Instrumentation Plan and the Emergency Preparedness Plan as specific sections of the O&M Plan. This method will be acceptable provided the relevant sections of the O&M Plan contain the details, and are prepared in accordance with the timing, set out in Section C below.

4. The risks associated with a dam are design and situation specific, and will vary depending on structural components, socioeconomic factors and the environment within which the dam is being constructed and will operate. Application of the requirements set out in paragraph 3 will reflect these considerations, and be proportionate to the size, complexity and potential risk of the dam.

5. Where a dam does not fall into the categories set out in paragraph 2, dam safety measures designed by qualified engineers in accordance with GIP will be adopted and implemented.<sup>3</sup>

Footnote 3. In such circumstances, the Borrower will confirm, through the environmental and social assessment, that there will be no or negligible risk of significant adverse impacts due to potential failure of the dam structure to local communities and assets, including assets to be financed as part of the proposed project. Such dams could include farm ponds, local silt retention dams and low embankment tanks.

6. The Panel referred to in paragraph 3 above consists of three or more experts, appointed by the

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Borrower and acceptable to the Bank, with expertise in the various technical fields relevant to the safety aspects of the particular dam.<sup>4</sup> The Panel will review and advise the Borrower on matters relative to dam safety and other critical aspects of the dam, its appurtenant structures, the catchment area, the area surrounding the reservoir, and downstream areas. The Borrower will normally extend the Panel's composition and terms of reference beyond dam safety, to cover such areas as project formulation; technical design; construction procedures; and, for water storage dams, associated works such as power facilities, river diversion during construction, ship lifts, and fish ladders.

Footnote 4. The number, professional breadth, technical expertise, and experience of Panel members are appropriate to the size, complexity, and hazard potential of the dam under consideration. For high-hazard dams, in particular, the Panel members will possess recognized international expertise in their field.

**GNA1.6.1.** Relevant expertise for a dam includes geology, hydrology, hydraulics, civil engineering, hydro-mechanical expertise, hydro-electrical expertise, and materials expertise.

**GNA1.6.2.** The selection of panel members is carried out by the Borrower and subject to *no objection* by the Bank. The Borrower convenes the panel either in person or virtually, and ensures that its members have access to relevant documentation, including through the provision of relevant reports or studies (for example, those prepared for the environmental and social assessment).

7. The Borrower will contract the services of the Panel and will provide administrative support for its activities. Beginning as early in project preparation as possible, the Borrower will arrange for periodic Panel meetings and reviews, which will continue through the investigation, design, construction, and initial filling and start-up phases of the dam.<sup>5</sup> The Borrower will inform the Bank in advance of the Panel meetings.<sup>6</sup> After each meeting, the Panel will provide the Borrower with a written report of its conclusions and recommendations, signed by each participating member; the Borrower will provide a copy of the Panel's report to the Bank. Following the filling of the reservoir and start-up of the dam, the Bank will review the Panel's findings and recommendations. If no significant difficulties are encountered in the filling and start-up of the dam, the Borrower may disband the Panel.

Footnote 5. If the Bank's involvement begins at a later stage than project preparation, the Panel is constituted as soon as possible and reviews any aspects of the project that have already been carried out.

Footnote 6. The Bank will normally send an observer to these meetings.

**B. Existing Dams and Dams Under Construction (DUC)**

8. Where a project relies or may rely on the performance of an existing dam or a dam under construction (DUC) in the Borrower's territory, the Borrower will arrange for one or more independent dam specialists to: (a) inspect and evaluate the safety status of the existing dam or DUC, its appurtenances, and its performance history; (b) review and evaluate the owner's operation and maintenance procedures; and (c) provide a written report of findings and recommendations for any remedial work or safety-related measures necessary to upgrade the existing dam or DUC to an acceptable standard of safety.

9. Such projects include, for example, power stations or water supply systems that draw directly from a reservoir controlled by an existing dam or a DUC; diversion dams or hydraulic structures downstream from an existing dam or a DUC, where failure of the upstream dam could cause extensive damage to or failure of the project facilities; and irrigation or water supply projects that will depend on the storage and operation of an existing dam or a DUC for their supply of water and could not function if the dam failed. They also include projects that require increases in the capacity of an existing dam, or changes in the characteristics of the

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impounded materials, where failure of the existing dam could cause extensive damage to or failure of project facilities.

10. The Borrower may use a previously prepared dam safety assessment or recommendations for improvements needed in an existing dam or DUC, if: (a) an effective dam safety program is already in operation; and (b) full-level inspections and dam safety assessments of the existing dam or DUC have already been conducted and documented, and are satisfactory to the Bank.

11. For projects that include additional dam safety measures or require remedial work, the Borrower will require that: (a) the dam is designed and its construction is supervised by competent professionals; and (b) the reports and plans required for a new dam (specified in paragraph 3 (b)) are prepared and implemented. For high-hazard cases involving significant and complex remedial work, the Borrower will also employ a panel of independent experts on the same basis as for a new dam (see paragraphs 3 (a) and 6 of this Annex).

12. When the owner of the existing dam or DUC is an entity other than the Borrower, the Borrower will enter into agreements or arrangements providing for the measures set out in paragraphs 8 to 11 of this Annex to be undertaken by the owner.

13. Where appropriate, the Borrower may discuss with the Bank any measures necessary to strengthen the institutional, legislative and regulatory frameworks for dam safety programs in the country.

**C. Dam Safety Report**

14. Dam safety reports will contain the information set out below and be prepared as follows:

- (a) Plan for construction supervision and quality assurance. This plan will set out details of the organization, staffing levels, procedures, equipment and qualifications for supervision of the construction of a new dam or of remedial work on an existing dam. For a dam other than a water storage dam<sup>7</sup>, this plan takes into account the usual long construction period, covering the supervision requirements as the dam grows in height—with any accompanying changes in construction materials or the characteristics of the impounded material—over a period of years. This plan will be prepared and submitted to the Bank during project preparation.
- (b) Instrumentation plan. This is a detailed plan for the installation of instruments to monitor and record dam behavior and the related hydrometeorological, structural and seismic factors. This plan will be prepared and submitted to the Panel and Bank before bid tendering.
- (c) Operation and maintenance (O&M) plan. This plan will set out details of the organizational structure, staffing, technical expertise and training required; equipment and facilities needed to operate and maintain the dam; O&M procedures; and arrangements for funding O&M, including long-term maintenance and safety inspections. The O&M plan for a dam other than a water storage dam, in particular, will reflect changes in the dam's structure or in the nature of the impounded material that may be expected over a period of years. Elements required to finalize the plan and initiate operations are normally financed under the project. A preliminary plan will be prepared and provided to the Bank during project preparation. The plan will be refined and completed during project implementation. The final plan will be completed not less than six months prior to the start of the initial filling of the reservoir. Elements required to finalize the plan and initiate operations are normally financed under the project.
- (d) Emergency preparedness plan. This plan will specify the roles of responsible parties when dam failure is considered imminent, or when expected operational flow release threatens

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*downstream life, property, or economic operations that depend on river flow levels. It will include the following: clear statements on the responsibility for decision-making relating to dam operations and for the related emergency communications; maps outlining inundation levels for various emergency conditions; flood warning system characteristics; and procedures for evacuating threatened areas and mobilizing emergency forces and equipment. The plan for emergency communication will include the mechanism through which potentially affected downstream communities will be informed. The broad framework plan and an estimate of funds needed to prepare the plan in detail will be prepared and provided to the Bank during project preparation. The plan itself will be prepared during implementation and is provided to the Panel and Bank for review not later than one year before the projected date of initial filling of the reservoir.*

*Footnote 7. For example, tailings dam or ash impoundment dam.*

**GNA1.14(d).** The Emergency Preparedness Plan is the same as the ERP referred to in Paragraph 20 of ESS4.

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***Land Acquisition, Restrictions on Land Use and Involuntary Resettlement***

*The Guidance Notes provide guidance for the Borrower on the application of the Environmental and Social Standards (ESSs), which form part of the World Bank's 2016 Environmental and Social Framework. The Guidance Notes help to explain the requirements of the ESSs; they are not Bank policy, nor are they mandatory. The Guidance Notes do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Guidance Notes and the ESSs, the provisions of the ESSs prevail. Each paragraph of the Standard is highlighted in a box, followed by the corresponding guidance.*

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**Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

**Introduction**

1. ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition<sup>1</sup> or restrictions on land use<sup>2</sup> may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood)<sup>3</sup>, or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in

Footnote1. “Land acquisition” refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes;

(b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. “Land” includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water

Footnote2. “Restrictions on land use” refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, restrictions on land use within utility easements or safety zones.

Footnote3. “Livelihood” refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade and bartering.

2. Experience and research indicate that physical and economic displacement, if unmitigated, may give rise to severe economic, social and environmental risks: production systems may be dismantled; people face impoverishment if their productive resources or other income sources are lost; people may be relocated to environments where their productive skills are less applicable and the competition for resources greater; community institutions and social networks may be weakened; kin groups may be dispersed; and cultural identity, traditional authority, and the potential for mutual help may be diminished or lost. For these reasons, involuntary resettlement should be avoided.<sup>4</sup> Where involuntary resettlement is unavoidable, it will be minimized and appropriate measures to mitigate adverse impacts on displaced persons (and on host communities receiving displaced persons) will be carefully planned and implemented.

Footnote4. Avoidance is the preferred approach in accordance with the mitigation hierarchy in ESS1. It is especially important to avoid physical or economic displacement of those socially or economically vulnerable to hardship as a result. However, avoidance may not be the preferred approach in situations where public health or safety would be adversely affected as a result. There may also be situations where resettlement can provide direct development opportunities for households or communities, including improved housing and public health conditions, strengthened security of tenure or other improvements to local living standards.

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**Objectives**

- To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives.
- To avoid forced eviction.<sup>5</sup>
- To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost<sup>6</sup> and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.<sup>7</sup>
- To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

Footnote5. See paragraph 31.

Footnote6. "Replacement cost" is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.

Footnote7. "Security of tenure" means that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate. In no event will resettled persons be provided tenure rights that are in effect weaker than the rights they had to the land or assets from which they have been displaced.

**Scope of Application**

3. The applicability of ESS5 is established during the environmental and social assessment described in ESS1.

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<p>4. This ESS applies to permanent or temporary physical and economic displacement resulting from the following types of land acquisition or restrictions on land use undertaken or imposed in connection with project implementation:</p> <ul style="list-style-type: none"> <li>(a) Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law;</li> <li>(b) Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures;<sup>8</sup></li> <li>(c) Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project;<sup>9</sup></li> <li>(d) Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project-specific cut-off date;</li> <li>(e) Displacement of people as a result of project impacts that render their land unusable or inaccessible;</li> <li>(f) Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas;</li> <li>(g) Land rights or claims to land or resources relinquished by individuals or communities without full payment of compensation;<sup>10</sup> and</li> <li>(h) Land acquisition or land use restrictions occurring prior to the project, but which were undertaken or initiated in anticipation of, or in preparation for, the project.</li> </ul>
<p>Footnote8. Notwithstanding the application of this ESS to such situations, the Borrower is encouraged to seek negotiated settlements with affected persons in a manner meeting the requirements of this ESS in order to help avoid administrative or judicial delays associated with formal expropriation, and to the extent possible to reduce the impacts on affected persons associated with formal expropriation.</p>
<p>Footnote9. In such situations, affected persons frequently do not have formal ownership. This may include freshwater and marine environments. This ESS does not apply to restrictions of access to natural resources under community-based natural resource management projects, i.e., where the community using the resources collectively decides to restrict access to these resources, provided that an assessment satisfactory to the Bank establishes that the community decision-making process is adequate and reflects voluntary, informed consensus, and that appropriate measures have been agreed and put in place to mitigate adverse impacts, if any, on the vulnerable members of the community.</p>
<p>Footnote10. In some circumstances, it may be proposed that part or all of the land to be used by the project is donated on a voluntary basis without payment of full compensation. Subject to prior Bank approval, this may be acceptable providing the Borrower demonstrates that: (a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land. The Borrower will maintain a transparent record of all consultations and agreements reached.</p>

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**GN4.1.** Definitions of “land acquisition” practices or “restrictions on land use,” set out in Paragraph 1 and Footnotes 1 and 2 of ESS5, include important clarifications that help to determine whether ESS5 applies in a specific project. While “land acquisition” refers to any method by which land is acquired for a project, it is typically understood to mean expropriation or some form of negotiated transfer for

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project purposes. Footnote 1 notes that actions that may not be generally understood to fall under “land acquisition” are also covered by the term. For example, when the government displaces occupants from state land for purposes of a project, even though the state is the owner, the act of repossessing the land from the occupants is considered land acquisition for purposes of ESS5.

**GN4.2.** Paragraph 4 spells out the various types of land acquisition and restrictions on access that are covered by ESS5. These are both wide-ranging and specific. They are discussed in detail in the following paragraphs.

**GN4.3.** Footnote 1 and Paragraph 4(e) refer to project impacts that cause land to be submerged or otherwise render it unusable or inaccessible. Such situations constitute “de facto” land acquisition and are covered by ESS5, even though no formal steps have been taken to acquire the land.

**GN4.4.** The “*restrictions on land use*” that are defined in Footnote 2 and further explained in Paragraphs 4(c) and (f) concern, for example, the creation of project-related buffer or safety zones, or an extension of a protected area that limit or prohibit use of the land for other purposes. This may also include project support for enforcement of land use restrictions that were already formally “on the books” but not fully enforced, leading to impacts on people’s livelihoods. Another common example of a restriction on land use is the creation of an easement or servitude over land for construction and stringing of transmission lines. While people may be able to continue using the land, use may be restricted by the term of easement or servitude in a way that negatively affects their livelihoods.

**GN4.5.** It is important to note that these “*restrictions on land use*” are only those that are “*directly introduced and put into effect as part of a project.*” This means that if a project has an impact on neighboring land that does not result from a specific prohibition or restriction imposed by the project—for example, if a dam alters downstream water flows in a way that affects the productivity of the land of some farmers – the impact is analyzed and addressed under ESS1, not ESS5 (see Paragraph 5).

**GN4.6.** The term “*Negotiated settlements*” refers to situations where the Borrower needs to acquire specific land or restrict its use for project purposes, but rather than doing so through an expropriation proceeding, the Borrower first tries to arrive at a mutually agreeable negotiated settlement with the land owner/user. As explained in Footnote 8, in many cases, both parties might find it advantageous to reach a negotiated settlement to avoid the delays and transaction costs associated with the full judicial or administrative process of expropriation or compulsory acquisition. In fact, many national laws require governments to first explore this more consensual approach.

**GN4.7.** It is important to note that “negotiated settlement” is not the same as the voluntary market transactions, described in Paragraph 6 of ESS5, to which ESS5 does not apply. For land acquisition to be considered a voluntary “willing buyer/willing seller” arrangement, the owners of the land must be able to refuse to sell, without the threat of compulsory acquisition. In a “negotiated settlement,” on the other hand, it is already known (through legal notice or other means) that the Borrower will proceed with expropriation or other compulsory mechanism if negotiations fail – in other words, the owner does not have the option to retain the land.

**GN4.8.** Paragraph 4(c), which concerns loss of usage rights to resources, and 4(f), which concerns loss of

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access to communal land and resources, are inter-related. For example, project-imposed buffer zones might restrict access to fishing areas around ports, docks or shipping lanes. The creation of safety zones around mines, quarries or blasting zones or green spaces around industrial plants may also result in significant restrictions on access. Such restrictions on the use of land or freshwater/marine resources may cause physical and/or economic displacement which is indistinguishable from that associated with land acquisition transactions, which is why they are covered under ESS5.

**GN4.9.** The loss of access to communal property and natural resources noted in Paragraph 4(f) is an important consideration when evaluating a project's impacts on livelihoods. The types of assets to which access may be lost could include pasture, fruit trees, medicinal plants, fiber, firewood, and other non-timber forest resources, croplands, fallow lands, woodlots, and fish stocks. While these resources, being common property, are not owned by individuals or households, lack of access may result in the same type of economic displacement as noted above. An important exception to application of ESS5, as noted in Footnote 9, concerns restrictions introduced as part of a community-based natural resource management project. In such a case, a community agrees to self-impose certain restrictions to enhance the sustainability of the resources on which it depends (for example, a community forestry project).

**GN4.10.** Paragraph 4(d) affirms the central principle that ESS5 applies not only to those who own or have formal legal rights to the land from which they are being displaced, but also to those who – as of a cut-off date – occupy the land informally or without clear legal rights to do so. Further information regarding cut-off dates is provided in Paragraph 20.

**GN4.11.** Voluntary land donation, as referred to in footnote 10, is defined as the ceding of a property by an owner who is: a) appropriately informed; and b) can exercise free will, i.e., can refuse to donate. There are situations in which people are willing to donate a portion of their land for project purposes for no compensation or reduced compensation. Voluntary land donations may involve some monetary or non-monetary benefits or incentives provided to the land donor by the project or by community members benefiting from a project. Both can be broadly classified as a "voluntary land donation," because the transfer of assets takes place without payment of compensation at replacement value. "Appropriately informed" means that the owner has all available information regarding the proposed activity and its impacts, its land requirements and its alternate activity sites, as well as his or her rights to compensation. The owner has also been provided with sufficient time to consider his or her disposition of the property, and has knowingly rejected the right to renege on his or her decision. "Free will" means that the owner can reject the proposal to give up his or her land, because, for example, there are viable alternatives available to the project (such as rerouting a water main if an owner refuses access to his or her property), or where no viable alternatives are available, the donation is to the benefit of the owner (such as a community-based investment project that benefits the owner of land to be donated). (See GN 6.1-6.2 for distinction between "voluntary donation" and "voluntary purchase.")

**GN4.12.** In some cases, however, donations may be induced through informal pressure or in extreme cases coercion. In other cases, people may agree to donate land because they are not aware that they are entitled to compensation and they have not been given sufficient information to make an informed choice. To address these risks, it is important to conduct due diligence, as described in Footnote 10. In this regard, it is also important to confirm that donated land is free of occupancy or use by people other than the donor.

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**GN4.13.** Voluntary land donations are documented. This calls for (a) written notification indicating the location and amount of land that is sought and its intended use; and (ii) a formal statement of donation, establishing informed consent, confirming that there is no disputed ownership and that there are no claims by renters, users, squatters or encroachers, and signed by each owner or user involved. Any taxes or fees owed for processing or registration of the land transfer, if applicable, are paid in full by the Borrower, who maintains the records of donations, including documentation. Documentation is made available for review in any grievance that may arise.

**GN4.14.** As with any other activity involving project affected people, a grievance mechanism is in place to allow consideration of, and timely response to, grievances raised by land donors (and other persons affected by the transfer of land). In terms of vulnerable people or communities, women users of land to be donated, or in the case of collective or community lands to be donated, users of those lands may be at risk of being passed over in the decision-making process, unless they are consulted.

**GN4.15.** Resettlement for project purposes under ESS5 may begin before a project is approved for Bank financing and the loan agreement is finalized. If the resettlement takes place before approval of a loan but after project identification, ESS5 applies retroactively to the resettlement.

**GN4.16.** The ESS5 may also apply even to displacement that took place prior to project identification, as noted in Paragraph 4(h), if the land acquisition or restriction on land use was directly linked to the eventual project and was done in anticipation of or in preparation for the project. (See also ESS1, Paragraphs 10-12 and related GN that sets out the scope of application of the Bank's ESSs.) This does not mean that all prior displacement that may have occurred at the site of a Bank-supported project is covered; the intention is to cover prior displacement that took place reasonably close in time to development of the Bank-financed project. Retroactive application of ESS5 would likely not be practical or appropriate for activities that preceded Bank engagement by a significant period of time. For example, a Borrower may have had long-standing but unrealized plans to develop an area, well before discussions with the Bank about the project, and may have engaged in land acquisition sporadically over the span of many years to assemble the needed land. In such cases, it may no longer be possible to identify all affected people, or the extent and value of their rights to the acquired land; land values and livelihoods may have changed significantly; and national legal processes may have long been completed. Determining whether Paragraph 4(h) applies to a specific situation thus calls for case-by-case analysis and discussions between the Borrower and the Bank.

**GN4.17.** When Paragraph 4(h) applies, a due diligence review (sometimes referred to as an audit) (as appropriate) is under taken by the Borrower to: (i) document and assess the adequacy of prior mitigation measures to address the environmental and social impacts of the past resettlement; (ii) assess compliance with national legislation; (iii) identify gaps in meeting the requirements of ESS5; (iv) identify any complaints, grievances or other outstanding issues; and (v) determine measures to close identified gaps and address complaints. This due diligence is undertaken within an agreed timeframe that takes into account the context of the project and significance of the prior resettlement. It may not be possible to retroactively satisfy certain aspects of ESS5, such as consultation and disclosure. The due diligence may include review of relevant documents, field visits, interviews and consultations held with affected persons and other key stakeholders. If activities resulting in displacement are ongoing at the time of project identification, they would normally need to stop until the due diligence review has been undertaken, and/or the requirements of ESS5 are being followed.

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5. *This ESS does not apply to impacts on incomes or livelihoods that are not a direct result of land acquisition or land use restrictions imposed by the project. Such impacts will be addressed in accordance with ESS*

6. *This ESS does not apply to voluntary, legally recorded market transactions in which the seller is given a genuine opportunity to retain the land and to refuse to sell it, and is fully informed about available choices and their implications. However, where such voluntary land transactions may result in the displacement of persons, other than the seller, who occupy, use or claim rights to the land in question, this ESS will apply.*<sup>11</sup>

*Footnote11. This may include situations where a project supports voluntary transactions between communities, governments and investors involving significant areas of land (for example where a project involves support to commercial investment in agricultural land). In such cases, in applying the relevant provisions of this ESS, special care must be taken to ensure: (a) that all tenure rights and claims (including those of customary and informal users) affecting the land in question are systematically and impartially identified; (b) that potentially affected individuals, groups or communities are meaningfully consulted, informed of their rights, and provided reliable information concerning environmental, economic, social and food security impacts of the proposed investment; (c) that community stakeholders are enabled to negotiate fair value and appropriate conditions for the transfer; (d) that appropriate compensation, benefit-sharing and grievance redress mechanisms are put in place; (e) that terms and conditions of the transfer are transparent, and (f) mechanisms are put in place for monitoring compliance with those terms and conditions.*

**GN6.1.** Voluntary, legally recorded transactions are distinct from voluntary donations, which are covered under GN4.11-4.13. The former term refers to “willing buyer/willing seller” market transactions. Due diligence is conducted to confirm that a voluntary purchase is voluntary. The due diligence confirms: (a) land markets exist; (b) the transaction has taken place with the owner’s informed consent; (b) the owner was aware that he or she could refuse to sell, and would not be subject to compulsory acquisition; and (d) the owner was paid a fair price based on prevailing market values. These conditions also apply where third parties, for example, land consolidators, aggregators, land developers or other agents, are acting on behalf of a Borrower.

**GN6.2.** There can be situations in which ESS5 applies to a “voluntary purchase,” as Paragraph 6 and footnote 11 describe. If a purchase, lease or other type of land transfer includes land on which people other than the owner live or have use, whether formally or as customary or informal occupants at the time of the purchase, ESS5 applies. For example, a traditional authority in some countries may be able legally to sell land belonging to a community, but the land may be inhabited by people who have customary rights to farm or otherwise use it. In this case, ESS5 applies, because notwithstanding the “voluntary” nature of the transaction entered into by the traditional authority, people may be involuntarily displaced by the transaction, and require assistance in accordance with ESS5.

7. *Where a project supports land titling or other activities intended to confirm, regularize or determine land rights, a social, legal and institutional assessment will be required under ESS 1.*<sup>12</sup> *The assessment aims to identify potential risks and impacts, as well as appropriate design measures to minimize and mitigate adverse economic and social impacts, especially those that affect poor and vulnerable groups.*<sup>13</sup> *This ESS does not apply to disputes between private parties in land titling or related contexts. However, where persons are required to vacate land as a direct result of a project-supported determination that the land in question is state land, this ESS will apply (in addition to the relevant provisions of ESS 1 mentioned above).*

*Footnote12. ESS 1, para. 28(b).*

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Footnote 13. See ESS 1, Footnote 28.

**GN7.1.** Projects that involve land titling and land regularization seek to clarify, confirm, document and/or register legal rights over land. The activities they cover can take a variety of forms, including, among others, systematic field surveying, adjudication, documentation and registration of land parcels. Some such projects cover large regions and involve hundreds of thousands or even millions of parcels. Other projects include, among others, small pilot exercises, designed to test procedures and technology; technology or capacity building activities, such as computerizing and scanning land records, producing orthophotos or maps, designing registration software, or restructuring institutions; formalization of informal settlements in urban slums; and delimitation and formalization of community land rights, including indigenous territories. The objectives of such projects are to help the Borrower implement its own law and to strengthen overall tenure security. For all such projects, the potential social risks of such projects are considered in the environmental and social assessment of ESS1.

**GN7.2.** Paragraph 7 distinguishes between two scenarios. First, it excludes from its coverage “private-private” disputes arising in titling contexts. Where two private parties claim the same land and the land is granted to one party, the other party is not entitled to protection under ESS5. The second scenario concerns the displacement of people from land that has been determined under the project to belong to the state, in which case ESS5 is applicable.

8. *This ESS does not apply to land use planning or the regulation of natural resources to promote their sustainability on a regional, national or subnational level (including watershed management, groundwater management, fisheries management, and coastal zone management). Where a project supports such activities, the Borrower will be required to conduct a social, legal and institutional assessment under ESS 1, in order to identify potential economic and social risks and impacts of the planning or regulation, and appropriate measures to minimize and mitigate them, in particular those that affect poor and vulnerable groups.*

**GN8.1.** Paragraph 8 refers to situations in which the Bank is providing support to a process by which a Borrower develops better plans, typically covering large areas, which is viewed as a type of technical assistance, as described in Footnote 5 of ESS1. If the project also finances implementation of output from the technical assistance that results in involuntary resettlement, then ESS5 applies. Finally, Paragraph 8 does not exempt project support for plans developed for the creation or extension of projected areas or parks, for which a “process framework” or similar instrument may be required under Paragraph 21.

9. *This ESS does not apply to management of refugees from, or persons internally displaced by, natural disasters, conflict, crime or violence.*

**GN9.1.** The purpose of Paragraph 9 is to distinguish between project-induced displacement, for which resettlement planning is possible and necessary under ESS5, and displacement resulting from emergencies that are not caused by the project and therefore, not covered by ESS5.

**GN9.2.** While ESS5 does not apply to forced displacements resulting from natural disasters, conflict, crime or violence, it is applicable when project activities cause displacement of already settled refugees or internally displaced persons. ESS5 also applies to state-imposed relocation of people or businesses as a subsequent response to a natural disaster or conflict – for example, where project activities involve

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the involuntary relocation of people from an affected area because of concern that the disaster, or other event, could reoccur.

**Requirements**

**A. General**

**Eligibility Classification**

10. Affected persons may be classified as persons: (a) Who have formal legal rights to land or assets; (b) Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; <sup>14</sup> or (c) Who have no recognizable legal right or claim to the land or assets they occupy or use. The census described in paragraph 20 will establish the status of the affected persons.
Footnote 14. Such claims could be derived from adverse possession or from customary or traditional tenure arrangements.

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**GN10.1.** Paragraph 10 defines three categories of affected persons who are eligible for coverage under ESS5. While people in all three categories are entitled to assistance of some sort under ESS5, the nature of that assistance may vary, as subsequent paragraphs of ESS5 make clear.

Category (a): Affected persons who have formal legal rights to land or assets are those who have formal documentation under national law to prove their rights, or are specifically recognized in national law as not requiring documentation. In the simplest case, an area is registered in the name of individuals or communities. In other cases, persons may have a lease on the land and therefore have legal rights.

Category (b): Affected persons who do not have formal rights to land or assets, but who have a recognized or recognizable claim under national law can fall into a number of groups. They may have been using the land for generations without formal documentation under customary or traditional tenure arrangements that are accepted by the community and recognized by national law. In other cases, they may have never been provided formal title or their documents may be incomplete or lost. They may have a claim for adverse possession if they have occupied land for a certain period of time as defined by national law, without the formal owner contesting the occupation. In such cases, national law often has legal procedures by which such claims can become recognized.

Category (c): Affected persons who have no recognizable legal right or claim to the land or assets they occupy or use are eligible for assistance under ESS5. These can be seasonal resource users, such as herders, grazers, fishers or hunters (although if the rights of such users are recognized by national law, they may fall into category (a) or (b)). They can also be persons occupying land in violation of applicable laws. Affected persons in these groups are not eligible for compensation for land, but are eligible for

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resettlement and livelihood assistance and compensation for assets.

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**Project Design**

11. *The Borrower will demonstrate that involuntary land acquisition or restrictions on land use are limited to direct project requirements for clearly specified project purposes within a clearly specified period of time. The Borrower will consider feasible alternative project designs to avoid or minimize land acquisition or restrictions on land use, especially where this would result in physical or economic displacement, while balancing environmental, social, and financial costs and benefits, and paying particular attention to gender impacts and impacts on the poor and vulnerable.*

**GN11.1.** Demonstrating that land acquisition or restrictions are limited to specific purposes and time frames helps to minimize excessive land acquisition (and unnecessary displacement) and discourages land speculation. For example, a road rehabilitation project should acquire land sufficient to ensure road integrity and safety and to enable the roadworks to proceed. Where displacement is unavoidable, adverse impacts on individuals and communities may be minimized through adjustments in size, routing or siting of project facilities. A meaningful analysis of possible alternatives that incorporates an estimate of the social and project costs associated with displacement helps the Borrower to identify optimal solutions. This analysis is recorded in the Resettlement Plan (see Paragraph 21 of ESS5) so that it is available for review by stakeholders.

**GN11.2.** Mitigation and compensation for physical and economic displacement can be significant. Therefore, potential costs are estimated early in the project design phase and integrated into project design and development. Early assessment of this cost is important to determine the relative costs and viability of alternative project designs, technologies, routes, or sites. The assessment of resettlement costs at an early stage of project development takes into account the level of uncertainty involved, and should build in contingencies, as appropriate. This is particularly the case in urban or peri-urban areas where resettlement costs are likely to significantly increase over time. Resettlement cost estimates and contingencies can then be adjusted during project design and implementation.

**Compensation and Benefits for Affected Persons**

12. *When land acquisition or restrictions on land use (whether permanent or temporary) cannot be avoided, the Borrower will offer affected persons compensation at replacement cost, and other assistance as may be necessary to help them improve or at least restore their standards of living or livelihoods, subject to the provisions of paragraph 26 through 36 of this ESS.<sup>15</sup>*

*Footnote15. At the request of affected persons, it may be necessary to acquire entire land parcels if partial acquisition would render the remainder economically unviable, or make the remaining parcel unsafe or inaccessible for human use or occupancy.*

**GN12.1.** Compensation for lost assets is calculated at replacement cost. Footnote 6 provides a detailed definition of “replacement cost.” The process used for determining compensation values should be transparent and easily comprehensible to project-affected people. With regard to land and assets, the calculation of replacement costs takes into account the following:

- (a) *Agricultural (including fallow land) or pasture land:* land of equal productive use or potential, located in the vicinity of the affected land or the new housing site, plus the cost of preparation to levels similar to or better than those of the affected land, and transaction costs such as registration and transfer taxes or customary fees.

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- (b) *Land in urban areas*: the market value of land of equivalent area and use, with similar or improved infrastructure and services, preferably located in the vicinity of the affected land, plus transaction costs such as registration and transfer taxes.
- (c) *Houses and other structures* (including public structures such as schools, clinics and religious buildings): the cost of purchasing or building a replacement structure, with an area, quality and location similar to or better than those of the affected structure; or of repairing a partially affected structure, including labor and contractors' fees; and transaction costs, such as registration, transfer taxes, and moving costs.
- (d) *Loss of access to natural resources*: the market value of the natural resources, which may include, among others, wild medicinal plants, firewood, and other non-timber forest products, meat or fish. However, cash compensation is seldom an effective way of compensating for lost access to natural resources—as discussed in the guidance associated with Paragraph 16 and Paragraphs 33 through 36. The Borrower assesses means to provide, or facilitate access to, similar resources elsewhere, taking into account the impacts at the alternate location, providing cash compensation only when it can be demonstrated that no feasible alternative measures are available.

**GN12.2.** Many countries have legally defined rates of compensation for land and crops. In many cases, such rates are not equal to replacement cost, either because they do not reflect market values or are not updated on a regular basis. Where such rates are used as guidance for replacement value, additional measures may be necessary to ensure that the compensation paid meets the requirements of ESS5.

**GN12.3.** Where functioning markets do not exist or land sales are prohibited, replacement cost of land may be estimated in a number of different ways. For example, for rural land, it may be possible to determine the replacement cost by reference to the productive value of the land. Determining a fair way to estimate replacement cost depends on a number of factors, such as the scope of land acquisition and its impact on overall production, proximity to markets, remaining period of an existing lease term, and the views of land valuation experts.

*13. Compensation standards for categories of land and fixed assets will be disclosed and applied consistently. Compensation rates may be subject to upward adjustment where negotiation strategies are employed. In all cases, a clear basis for calculation of compensation will be documented, and compensation distributed in accordance with transparent procedures.*

**GN13.1.** Information about compensation standards should be provided in a transparent and consistent manner. Where compensation for land or assets (including crops) is calculated according to formulas or rates set out in documents prepared by the Borrower, these are made available and explained to affected people. It is also important to ensure that rates are applied consistently.

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14. Where livelihoods of displaced persons are land-based,<sup>16</sup> or where land is collectively owned, the Borrower will offer the displaced persons an option for replacement land in accordance with paragraph 35(a), unless it can be demonstrated to the Bank's satisfaction that equivalent replacement land is unavailable. As the nature and objectives of the project may allow, the Borrower will also provide opportunities to displaced communities and persons to derive appropriate development benefits from the project. In the case of affected persons under paragraph 10(c), resettlement assistance will be provided in lieu of compensation for land, as described in paragraphs 29 and 34(c).

Footnote 16. The term "land-based" includes livelihood activities such as rotational cropping and grazing of livestock as well as the harvesting of natural resources.

**GN14.1.** Land replacement strategies may include resettlement on public land or on private land purchased for resettlement. When replacement land is offered, the combined characteristics of the land, such as productive potential, advantages of location, and security of tenure, as well as the legal nature of the land title or use rights are at least equivalent to those of the original site.

**GN14.2.** Cash compensation or resettlement assistance in lieu of compensation for land is offered to those people who do not wish to continue their land-based livelihoods or who prefer to purchase land on their own. When payment of cash compensation is considered, the ability of the affected population to utilize cash to restore standards of living is assessed. For example, short-term consumption of cash compensation can sometimes result in hardship for subsistence-based economies or poorer households. In such cases, provision of in-kind compensation (for example, livestock or other moveable/transferrable property) or vouchers earmarked for specific types of goods and services may be more appropriate.

15. The Borrower will take possession of acquired land and related assets only after compensation in accordance with this ESS has been made available and, where applicable, displaced people have been resettled and moving allowances have been provided to the displaced persons in addition to compensation. In addition, livelihood restoration and improvement programs will commence in a timely fashion in order to ensure that affected persons are sufficiently prepared to take advantage of alternative livelihood opportunities as the need

**GN15.1.** The emphasis of Paragraph 15 is on timely action. With regard to compensation for land and assets, or assistance in lieu of compensation, this means payment *before* taking possession. With regard to livelihood restoration and improvement measures, while some flexibility may be necessary, it is important to initiate these measures in sufficient time to ensure that people have access to alternative livelihood opportunities as soon as needed. Until such measures are in place, appropriate transitional support is provided to affected people so that they do not bear the burden of implementation delays. Planning of such transitional support should provide for contingencies to address unforeseen additional delays.

16. In certain cases there may be significant difficulties related to the payment of compensation to particular affected persons, for example, where repeated efforts to contact absentee owners have failed, where project affected persons have rejected compensation that has been offered to them in accordance with the approved plan, or where competing claims to the ownership of lands or assets are subject to lengthy legal proceedings. On an exceptional basis, with prior agreement of the Bank, and where the Borrower demonstrates that all reasonable efforts to resolve such matters have been taken, the Borrower may deposit compensation funds as required by the plan (plus a reasonable additional amount for contingencies) into an interest-bearing escrow or other deposit account and proceed with the relevant project activities. Compensation placed in escrow will be made available to eligible persons in a timely manner as issues are resolved.

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**GN16.1.** There are occasional circumstances, such as those noted in Paragraph 16, where application of the requirements of Paragraph 15 could lead to extensive delays in project implementation. In such cases, provided the Bank and Borrower agree, an escrow account is a useful approach that allows the project to go forward, while ensuring that project-affected persons are compensated as and when they come forward or the underlying disputes are resolved. The escrow should include a contingency amount in case the amount to be paid exceeds what was set forth in the resettlement plan.

**GN16.2.** Escrow accounts are an exception; they are not intended to be used on a routine basis to postpone dealing with ordinary complications in the implementation of a resettlement plan. They should not be used, for example, unless the Borrower can demonstrate that it has exhausted all reasonable efforts to resolve the underlying issue.

**Community Engagement**

*17. The Borrower will engage with affected communities, including host communities, through the process of stakeholder engagement described in ESS10. Decision-making processes related to resettlement and livelihood restoration will include options and alternatives from which affected persons may choose. Disclosure of relevant information and meaningful participation of affected communities and persons will take place during the consideration of alternative project designs referred to in paragraph 11, and thereafter throughout the planning, implementation, monitoring, and evaluation of the compensation process, livelihood restoration activities, and relocation process. Additional provisions apply to consultations with displaced Indigenous Peoples, in accordance with ESS7.*

**GN17.1.** For the purpose of ESS5, the affected communities are economically and/or physically displaced persons and the host community. Other stakeholders may include any governmental agencies or other parties responsible for approving and/or delivering resettlement-related plans and assistance. Early initiation of meaningful community engagement enables affected households, communities and other stakeholders to fully understand the implications of resettlement for their lives and to actively participate in the associated planning processes. Detailed information on consultation and engagement is provided in ESS10 and its accompanying Guidance Note.

**GN17.2.** The consultation and participation process is an ongoing, organized and iterative process. It is documented in the resettlement plans (see Paragraph 21). The plans show how affected households and communities (including host communities) are involved, throughout the process of resettlement planning, implementation and monitoring.

**GN17.3.** It is important that affected disadvantaged or vulnerable individuals or groups have a voice in consultation and planning processes. This may involve special efforts to include those who are particularly vulnerable to hardship because of physical or economic displacement. Depending on the project context, this may be people living below the poverty line, the landless, the elderly, the disabled, or women- and children-headed households. Community engagement in this case may include dedicated focus groups, and members of disadvantaged or vulnerable groups should be included among the representatives of affected communities. Project-affected vulnerable people may also require assistance to participate in consultation events or discussion forums, for example, through provision of transportation to consultation venues, or visits to individual households for consultation purposes.

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Affected persons identified as disadvantaged or vulnerable may also need additional help to understand their options for resettlement and compensation.

18. *The consultation process should ensure that women's perspectives are obtained and their interests factored into all aspects of resettlement planning and implementation. Addressing livelihood impacts may require intra-household analysis in cases where women's and men's livelihoods are affected differently. Women's and men's preferences in terms of compensation mechanisms, such as replacement land or alternative access to natural resources rather than in cash, should be explored.*

**GN18.1.** Women frequently suffer disproportionately when resettlement is badly planned or executed, as they are often a disproportionately large number of the poor; have more limited access to resources, opportunities, and public services than men; and as a result, rely more heavily on informal support networks within their existing communities. The resettlement planning process needs to consider the situation of women and to adapt the engagement process as necessary to ensure that women have a role in decision making. A comprehensive planning process includes identification of: (i) women's means of income generation and livelihoods, including non-formal activities such as gathering natural resources, trading and bartering services and wares; (ii) women's social and economic networks, including extended family ties; and (iii) women's ownership of affected assets, including land and crops, in order to appropriately compensate them.

**Grievance Mechanism**

19. *The Borrower will ensure that a grievance mechanism for the project is in place, in accordance with ESS10 as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely fashion. Where possible, such grievance mechanisms will utilize existing formal or informal grievance mechanisms suitable for project purposes, supplemented as needed with project-specific arrangements designed to resolve disputes in an*

**GN19.1.** Grievance mechanisms are established as part of the resettlement plan (see Paragraph 21 and ESS10). Regardless of scale, involuntary resettlement may give rise to grievances among affected households and communities over issues ranging from rates of compensation and eligibility criteria to the location of resettlement sites and the quality of services at those sites.

**GN19.2.** The project grievance mechanism is disclosed and explained to affected communities as early as possible and on a regular basis throughout the project cycle. The grievance mechanism is available at no cost, and it is important that it be easily accessible, with special attention paid to accessibility for disadvantaged and vulnerable individuals or groups.

**GN19.3.** The scope of the grievance mechanism varies with the magnitude and complexity of the project and displacement involved, and may call for additional staff with specific expertise to be designated and trained to address grievances related to involuntary resettlement.

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**Planning and Implementation**

20. Where land acquisition or restrictions on land use are unavoidable, the Borrower will, as part of the environmental and social assessment, conduct a census to identify the persons who will be affected by the project, to establish an inventory of land and assets to be affected,<sup>17</sup> to determine who will be eligible for compensation and assistance,<sup>18</sup> and to discourage ineligible persons, such as opportunistic settlers, from claiming benefits. The social assessment will also address the claims of communities or groups who, for valid reasons, may not be present in the project area during the time of the census, such as seasonal resource users. In conjunction with the census, the Borrower will establish a cut-off date for eligibility. Information regarding the cut-off date will be well documented and will be disseminated throughout the project area at regular intervals in written and (as appropriate) non-written forms and in relevant local languages. This will include posted warnings that persons settling in the project area after the cutoff date may be subject to removal.

Footnote 17. See Annex 1. Such inventory should include a detailed account, derived through a consultative, impartial and transparent process, of the full range of rights held or asserted by affected people, including those based on custom or practice, secondary rights such as rights of access or use for livelihoods purposes, rights held in common, etc.

Footnote 18. Documentation of ownership or occupancy and compensation payments should be issued in the names of both spouses or single heads of households as relevant, and other resettlement assistance, such as skills training, access to credit, and job opportunities, should be equally available to women and adapted to their needs. Where national law and tenure systems do not recognize the rights of women to hold or contract in property, measures should be considered to provide women as much protection as possible with the objective to achieve equity with men.

**GN20.1.** The census identifies affected people, and includes pertinent demographic (age, sex, family size, births, and deaths) and related social and economic information (ethnicity, health, education, occupation, income sources, livelihood patterns, productive capacity, etc.). The census helps to determine eligibility of affected people. It includes undertaking an inventory and valuation of assets and establishing, documenting and making known the rights of those affected. This may include different types of secondary rights of access and use that are valuable for people's livelihoods but that are largely undocumented, such as seasonal rights or rights held by migrant populations such as nomadic pastoralists. It is important to undertake the inventory in close consultation with affected communities and households, and if needed, the services of a social specialist with expertise in land and natural resource tenure. (See also ESS1 Paragraph 28(b) and Footnote 29, and associated Guidance Note). The information gathered in connection with the census is the baseline which serves as a reference point against which income restoration and the results of other rehabilitation efforts can be measured.

**GN20.2.** The cut-off date for determining eligibility for compensation or other assistance is intended to help prevent encroachment by opportunistic settlers. It is most effective when it is well communicated, documented, and disseminated, including by providing clear demarcation of areas designated for resettlement. Individuals taking up residence in, or use of, the project area after the cut-off date are not eligible for compensation or resettlement assistance. Similarly, the loss of fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the cut-off date is not compensated.

**GN20.3.** Diligent efforts should be made to ensure that the claims of individuals or groups who, for valid reasons, are not present at the time of the census but who have a claim to land or assets, are addressed.

**GN20.4.** A common complication encountered with respect to cut-off dates involves "historic" cut off

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dates, which were established when a project was ready for development but which, due to project delays, have become outdated. In such situations, natural population growth (for example, grown children from previously eligible households) may result in new households eligible for resettlement benefits and assistance that were not listed in the original survey. It is good practice for planners to make provision for population movements as well as natural population increase. If there is a significant time lag between the completion of the census and implementation of the resettlement or livelihood restoration plan (such as more than 3 years), a repeat census and inventory and evaluation of assets are undertaken and the resettlement plan updated accordingly.

**GN20.5** Where legally permissible, the resettlement plan includes measures to ensure that documentation of ownership or occupancy, such as title deeds and lease agreements, and compensation (including the bank accounts established for payment of compensation), are issued in the names of both spouses or of single women heads of households, as relevant to each situation. In circumstances in which national law and local customary tenure systems do not give women equal opportunities or rights with regard to property, alternative steps are taken to ensure that access of women to security of tenure is equivalent to that of men and does not further disadvantage women.

21. *To address the issues identified in the environmental and social assessment, the Borrower will prepare a plan<sup>19</sup> proportionate to the risks and impacts associated with the project:*

- (a) For projects with minor land acquisition or restrictions on land use, as a result of which there will be no significant impact on incomes or livelihoods, the plan will establish eligibility criteria for affected persons, set out procedures and standards for compensation, and incorporate arrangements for consultations, monitoring and addressing grievances;*
- (b) For projects causing physical displacement, the plan will set out the additional measures relevant to relocation of affected persons;*
- (c) For projects involving economic displacement with significant impacts on livelihoods or income generation, the plan will set out the additional measures relating to livelihood improvement or restoration; and*
- (d) For projects that may impose changes in land use that restrict access to resources in legally designated parks or protected areas or other common property resources on which local people may depend for livelihood purposes, the plan will establish a participatory process for determining appropriate restrictions on use and set out the mitigation measures to address adverse impacts on livelihoods that may result from such restrictions.*

*Footnote 19. See Annex 1.*

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**GN21.1.** Resettlement plans are prepared for any project that results in economic or physical displacement. The scope and level of detail of the plan varies with the magnitude of displacement and complexity of the measures required to mitigate adverse impacts. In all cases, the plan describes the manner in which the objectives of ESS5 can be achieved. The resettlement plan may take a number of different forms, depending on the project's impacts. The different plans are described in **Annex 1 to ...** ESS5.

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**GN21.2.** For access restrictions in relation to legally designated parks, protected areas or other common property, the resettlement plan may take the form of a "process framework" (also described in Annex 1). It is used to design project activities, determine eligibility criteria, reach agreement on access restrictions, identify measures to assist affected persons improve or restore their livelihoods, manage conflicts and grievances, and arrange for participatory implementation and monitoring.

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22. *The Borrower's plan will establish the roles and responsibilities relating to financing and implementation, and include arrangements for contingency financing to meet unanticipated costs, as well as arrangements for timely and coordinated response to unforeseen circumstances impeding progress toward desired outcomes.<sup>20</sup> The full costs of resettlement activities necessary to achieve the objectives of the project are included in the total costs of the project. The costs of resettlement, like the costs of other project activities, are treated as a charge against the economic benefits of the project; and any net benefits to resettlers (as compared to the "without-project" circumstances) are added to the benefits stream of the project.*

*Footnote20. For projects with significant resettlement impacts and complex mitigation measures, the Borrower may consider preparing a stand-alone resettlement project for Bank support.*

**GN22.1.** A key function of the planning process is to determine as early and fully as possible the anticipated costs of resettlement, as well the arrangements for meeting those costs (including contingencies). It is important to specify in the arrangements the commitments obtained from relevant institutions within government and any other parties to meet the resettlement costs.

23. *The Borrower will establish procedures to monitor and evaluate the implementation of the plan and will take corrective action as necessary during implementation to achieve the objectives of this ESS. The extent of monitoring activities will be proportionate to the project's risks and impacts. For all projects with significant involuntary resettlement impacts, the Borrower will retain competent resettlement professionals to monitor the implementation of resettlement plans, design corrective actions as necessary, provide advice on compliance with this ESS and produce periodic monitoring reports. Affected persons will be consulted during the monitoring process. Periodic monitoring reports will be prepared and affected persons will be informed about monitoring results in a timely manner.*

**GN23.1.** The monitoring and evaluation of resettlement implementation should be planned as early as possible in preparation of the resettlement plan. The resettlement census, including socio-economic baseline studies, and the inventory and evaluation of assets are conducted in a manner that enables subsequent tracking of resettlement outcomes. This is typically done through the early identification of key indicators to be tracked over time.

24. *Implementation of the Borrower's plan will be considered completed when the adverse impacts of resettlement have been addressed in a manner that is consistent with the relevant plan as well as the objectives of this ESS. For all projects with significant involuntary resettlement impacts, the Borrower will commission an external completion audit of the plan when all mitigation measures have been substantially completed. The completion audit will be undertaken by competent resettlement professionals, will assess whether livelihoods and living standards have been improved or at least restored and, as necessary, will propose corrective actions to meet objectives not yet achieved.*

**GN24.1.** An external resettlement completion audit is conducted for projects with significant adverse social impacts. In determining whether an audit is required, the Bank will consider the scale of impacts, the particular vulnerability of the affected households (for example, those with a strong attachment to particular lands and/or natural resources), or other social, economic, or political factors. The key objective of a completion audit is to evaluate whether the Borrower's efforts to restore the livelihoods and living standards of the affected population have been successful. The audit measures whether the livelihoods and living standards of the affected population meet or exceed those enjoyed prior to displacement, and if that is not the case, what additional measures, if any, are needed to help improve, or at least restore, livelihoods and living standards. The audit also verifies that all physical inputs

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committed to in the resettlement plan have been delivered, and all agreed services have been provided.

25. *Where the likely nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown during project preparation, the Borrower will develop a framework establishing general principles and procedures compatible with this ESS. Once the individual project components are defined and the necessary information becomes available, such a framework will be expanded into one or more specific plans proportionate to potential risks and impacts. No physical and/or economic displacement will occur until plans required by this ESS have been finalized and approved by the Bank.*

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**GN25.1.** It is not always possible to know the extent and location of resettlement during project preparation (for example, when a project has multiple subprojects that will be designed during project implementation). In such cases, a policy framework (see Annex 1 to ESS5) is used, which will be expanded into one or more specific resettlement plans in accordance with ESS5 once the relevant project sub components are defined. Paragraph 25 emphasizes the importance of finalizing and obtaining Bank approval of such plans before any associated displacement commences. As with any resettlement plan prepared under ESS5, no displacement commences until compensation has been paid and other relevant assistance provided, as described in Paragraph 15.

**B. Displacement**

**Physical Displacement**

26. *In the case of physical displacement, the Borrower will develop a plan that covers, at a minimum, the applicable requirements of this ESS regardless of the number of people affected. The plan will be designed to mitigate the negative impacts of displacement and, as warranted, to identify development opportunities. It will include a resettlement budget and implementation schedule, and establish the entitlements of all categories of affected persons (including host communities). Particular attention will be paid to gender aspects and the needs of the poor and the vulnerable. The Borrower will document all transactions to acquire land rights, provision of compensation and other assistance associated with relocation activities.*

**GN26.1.** When physical displacement is to occur, resettlement planning provides displaced persons with opportunities to participate in development of the resettlement plan and implementation of activities intended to improve or at least restore their standards of living. In accordance with Paragraph 20, baseline conditions are established prior to displacement by conducting a census and enumeration of households, an inventory and evaluation of their assets, and a socio-economic survey assessing living standards and social conditions. The contents of this plan are described in Annex 1 to ESS5.

27. *If people living in the project area are required to move to another location, the Borrower will: (a) offer displaced persons choices among feasible resettlement options, including adequate replacement housing or cash compensation; and (b) provide relocation assistance suited to the needs of each group of displaced persons. New resettlement sites will offer living conditions at least equivalent to those previously enjoyed, or consistent with prevailing minimum codes or standards, whichever set of standards is higher. If new resettlement sites are to be prepared, host communities will be consulted regarding planning options, and resettlement plans will ensure continued access, at least at existing levels or standards, for host communities to facilities and services. The displaced persons' preferences with respect to relocating in preexisting communities and groups will be respected wherever possible. Existing social and cultural institutions of the displaced persons and any host communities will be respected.*

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**GN27.1.** Adequate housing options are those that allow access to employment options, markets, and other means of livelihood such as agricultural fields, as well as basic infrastructure and services, such as water, electricity, sanitation, health-care, and education, depending on the local context. Adequate sites are safe and at the least, not subject to periodic flooding or other hazards.

**GN27.2.** The resettlement plan provides for transitional relocation assistance to people who are physically displaced. Such assistance may include transportation, food, shelter, and social services that are provided to affected people during the relocation to their new site. Additional measures may be necessary for vulnerable groups during physical relocation, particularly pregnant women, children, the elderly, and the disabled. Assistance may also include cash allowances that compensate affected people for the inconvenience associated with resettlement and defray the expenses of relocating to a new location, such as moving and lost workdays.

28. *In the case of physically displaced persons under paragraph 10(a) or (b), the Borrower will offer the choice of replacement property of equal or higher value, with security of tenure, equivalent or better characteristics, and advantages of location, or cash compensation at replacement cost. Compensation in kind should be considered in lieu of cash.<sup>21</sup>*

*Footnote21. Payment of cash compensation for lost land and other assets may be appropriate where: (a) livelihoods are not land-based; (b) livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual land is economically viable; or (c) active markets for land, housing, and labor exist, displaced persons use such markets, there is sufficient supply of land and housing, and the Borrower has demonstrated to the satisfaction of the Bank that insufficient replacement land is available.*

**GN28.1.** Security of tenure is an important component of adequate housing, and is defined in Footnote 7. Footnote 7 also provides that where affected people are receiving land as replacement for land they have lost to the project, their tenure rights to the replacement land is no weaker in effect than their tenure rights to the relinquished land. This provision draws attention to the fact that the nature and duration of a person's rights to land are important components of the value of what he or she is losing through displacement. For example, it would normally be inappropriate to replace land that is held in full ownership with land to which an affected person only receives a short-term lease. Applying this provision may require judgment, because it is not always easy to measure the relative strengths of different tenure arrangements. Therefore, it is important to look at the combined characteristics of replacement land to ensure that in the aggregate they provide value to the affected person that is equal to or greater than what she or he is losing as a result of displacement.

29. *In the case of physically displaced persons under paragraph 10(c), the Borrower will provide arrangements to allow them to obtain adequate housing with security of tenure. Where these displaced persons own structures, the Borrower will compensate them for the loss of assets other than land, such as dwellings and other improvements to the land, at replacement cost.<sup>22</sup> Based on consultation with such displaced persons, the Borrower will provide relocation assistance in lieu of compensation for land sufficient for them to restore their standards of living at an adequate alternative site.<sup>23</sup>*

*Footnote22. Where the Borrower demonstrates that an affected person derives substantial income from multiple illegal rental units, the compensation and other assistance that would otherwise be available to such person for non-land assets and livelihood restoration under this paragraph may be reduced with the prior agreement of the Bank, to better reflect the objectives of this ESS.*

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*Footnote 23. Relocation of informal settlers in urban areas may involve trade-offs. For example, the relocated families may gain security of tenure, but they may lose locational advantages that may be essential to livelihoods, especially among the poor or vulnerable. Changes in location that may affect livelihood opportunities should be addressed in accordance with the relevant provisions of this ESS (see in particular paragraph 34(c)).*

**GN29.1** .As indicated in several paragraphs of ESS5, affected people are entitled to certain types of assistance (for example, compensation for fixed assets and livelihood restoration) even if they have no legal rights to the land they are occupying. Footnote 22 refers to what is known as the “squatter landlord” phenomenon that is prevalent in many large cities in developing countries: these are persons who accumulate and derive substantial rental income from multiple buildings located on land to which they do not have legal rights. If it is demonstrated that a squatter landlord’s livelihood would not be significantly affected, the Borrower and Bank may agree on an approach that reduces the amount of compensation the landlord might otherwise be entitled to under ESS5 for fixed assets and livelihood restoration. In determining this, it is important to distinguish the situation and characteristics of “squatter landlords” from situations in which affected informal property owners depend on rental income from the structure they are losing for all or a substantial portion of their livelihoods— such affected people are not the intended focus of the Footnote.

30. *The Borrower is not required to compensate or assist those who encroach on the project area after the cut-off date for eligibility, provided the cut-off date has been clearly established and made public.*

31. *The Borrower will not resort to forced evictions of affected persons. “Forced eviction” is defined as the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in this ESS. The exercise of eminent domain, compulsory acquisition or similar powers by a Borrower will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of this ESS, and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate or excessive force).*

**GN31.1.** The prohibition against “forced eviction” does not prevent action by a government to remove a person who continues to occupy land upon completion of the legal process of eminent domain or compulsory acquisition. Eviction is not considered to be forced eviction if it conforms to national law – Including compliance with, and completion of, all relevant legal and administrative procedures, including appeals processes – complies with all the relevant requirements of ESS5, and is carried out in a way that respects basic principles of due process.

**GN31.2.** Due process is understood to include the following types of procedural protections: (a) an opportunity for genuine consultation with those affected; (b) adequate and reasonable notice for all affected persons prior to the scheduled date of eviction; (c) information on the proposed evictions, and, where applicable, on the alternative purpose for which the land or housing is to be used, to be made available in reasonable time to all those affected; (d) especially where groups of people are involved, government officials or their representatives to be present during an eviction; (e) all persons carrying out the eviction to be properly identified; (f) evictions not to take place in particularly bad weather or at night unless the affected persons consent otherwise; (g) provision of legal remedies; and (h) provision, where possible, of legal aid to persons who are in need of it to seek redress from the courts.

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32. *As an alternative to displacement, the Borrower may consider negotiating in situ land development arrangements by which those to be affected may elect to accept a partial loss of land or localized relocation in return for improvements that will increase the value of their property after development. Any person not wishing to participate will be allowed to opt instead for full compensation and other assistance as required in this ESS.*

**GN32.1.** Where feasible, in situ resettlement may be a way of enabling physically and/or economically displaced persons to remain in or close to the location where they live and work. It can provide a way for affected people to more directly benefit from the project and to share in the incremental enhancement of property values that a project brings about. Paragraph 32 therefore confirms that in situ arrangements may be used under ESS5, where people receive smaller but more valuable replacement land or housing that has been developed by the project itself. Examples include irrigation projects where affected farmers relinquish rainfed land for a smaller portion of irrigated and more productive land, or land readjustment schemes where rural land is relinquished in exchange for smaller, high-value urban plots that benefit from project-financed infrastructure. Care is taken in all such cases to demonstrate and document that the calculation of the value of the improvements is robust and that the expectation of enhanced value within a reasonable period is realistic. When there is a transition period between the relinquishing of land and the provision of replacement land in an in-situ location, transitional assistance is provided.

**Economic Displacement**

33. *In the case of projects affecting livelihoods or income generation, the Borrower's plan will include measures to allow affected persons to improve, or at least restore, their incomes or livelihoods. The plan will establish the entitlements of affected persons and/or communities, paying particular attention to gender aspects and the needs of vulnerable segments of communities, and will ensure that these are provided in a transparent, consistent, and equitable manner. The plan will incorporate arrangements to monitor the effectiveness of livelihood measures during implementation, as well as evaluation once implementation is completed. The mitigation of economic displacement will be considered complete when the completion audit concludes that affected persons or communities have received all of the assistance for which they are eligible, and have been provided with adequate opportunity to reestablish their livelihoods.*

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34. Economically displaced persons who face loss of assets or access to assets will be compensated for such loss at replacement cost:

- (a) In cases where land acquisition or restrictions on land use affect commercial enterprises,<sup>24</sup> affected business owners will be compensated for the cost of identifying a viable alternative location; for lost net income during the period of transition; for the cost of the transfer and reinstallation of the plant, machinery, or other equipment; and for reestablishing commercial activities. Affected employees will receive assistance for temporary loss of wages and, if necessary, assistance in identifying alternative employment opportunities;
- (b) In cases affecting persons with legal rights or claims to land that are recognized or recognizable under national law (see paragraph 10 (a) and (b)), replacement property (e.g., agricultural or commercial sites) of equal or greater value will be provided, or, where appropriate, cash compensation at replacement cost; and
- (c) Economically displaced persons who are without legally recognizable claims to land (see paragraph 10(c)) will be compensated for lost assets other than land (such as crops, irrigation infrastructure and other improvements made to the land), at replacement cost. Additionally, the Borrower will provide assistance in lieu of land compensation sufficient to provide such persons with an opportunity to reestablish livelihoods elsewhere. The Borrower is not required to compensate or assist persons who encroach on the project area after the cut-off date for eligibility.

*Footnote<sup>24</sup>. This includes shops, restaurants, services, manufacturing facilities and other enterprises, regardless of size and whether licensed or unlicensed.*

**GN34.1.** Where possible, local communities and Indigenous Peoples should be allowed to exercise pre-existing access or usage rights to Borrower-controlled land. For example, nomadic peoples may claim legal or customary rights to access or pass through Borrower-controlled land periodically or seasonally, for subsistence and traditional activities. Their claims may be linked to certain natural resources such as an oasis or water spring, herds of migratory animals or plants that grow naturally, that can be harvested only at a particular time of the year, or are pollinators for other plants, trees, or crops. The exercise of such rights, however, is subject to reasonable measures by the Borrower to maintain a safe and healthy working environment for workers under ESS2, safeguards for community health, safety and security under ESS4, and the Borrower's reasonable operating requirements. If it is deemed necessary to curtail pre-existing access or usage rights for such reasons, the affected people are provided with other assistance measures, consistent with the objectives of ESS5, and with the objectives of ESS7, if it concerns Indigenous Peoples.

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35. *Economically displaced persons will be provided opportunities to improve, or at least restore, their means of income-earning capacity, production levels, and standards of living:*
- (a) *For persons whose livelihoods are land-based, replacement land that has a combination of productive potential, locational advantages, and other factors at least equivalent to that being lost will be offered where feasible.;*
  - (b) *For persons whose livelihoods are natural resource-based and where project-related restrictions on access envisaged in paragraph 4 apply, measures will be implemented to either allow continued access to affected resources or to provide access to alternative resources with equivalent livelihood-earning potential and accessibility. Where common property resources are affected, benefits and compensation associated with restrictions on natural resource usage may be collective in nature; and*
  - (c) *If it is demonstrated that replacement land or resources are unavailable, the Borrower will offer economically displaced persons options for alternative income earning opportunities, such as credit facilities, skills training, business start-up assistance, employment opportunities, or cash assistance additional to compensation for assets. Cash assistance alone, however, frequently fails to provide affected persons with the productive means or skills to restore livelihoods.*

**GN35.1.** Compensation alone is not sufficient to restore or improve the livelihoods and social welfare of displaced households and communities. Challenges associated with rural resettlement include restoring livelihoods based on land or natural resource use and the need to avoid compromising the cohesion of affected communities, including the host communities to which the displaced population may be resettled. A challenge associated with urban resettlement is the restoration of wage-based or enterprise-based livelihoods that are often tied to location (such as proximity to jobs, customers and markets).

**GN35.2.** The following are examples for the design of measures to improve or restore livelihoods that are land-based, wage-based and enterprise-based:

- (a) *Land-based livelihoods:* Depending on the type of economic displacement and/or the site to which project-affected people are relocated, they may benefit from: (i) assistance in acquiring or accessing replacement land, including access to grazing land, fallow land, forest, fuel and water resources; (ii) physical preparation of farm land (for example, clearing, leveling, access routes and soil stabilization or enrichment); (iii) fencing for pasture or crop land; (iv) agricultural inputs (such as seeds, seedlings, fertilizer, irrigation); (v) veterinary care; (vi) small-scale credit, including seed banks, cattle banks and cash loans; (vii) access to markets (for example, through transportation means, improved access to information about market opportunities and organizational support; and (viii) training.
- (b) *Wage-based livelihoods:* Wage earners in the affected households and communities may benefit from skills training and job placement, provisions made in contracts with project contractors for temporary or longer-term employment of local workers, and small-scale credit to finance start-up enterprises. Wage earners whose income is interrupted during physical displacement receive resettlement assistance that covers these and related costs. Affected people are given equal opportunities to benefit from such provisions. The location of resettlement housing, in the case of physically displaced persons, can be a significant contributing factor toward socio-economic stability.

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Consideration should be given to the ability of wage earners to continue to access their place(s) of work during and after resettlement; if this ability is impaired then mitigation measures are implemented to ensure continuity and avoid a net loss in welfare for affected households and communities.

- (c) *Enterprise-based livelihoods*: Established and start-up entrepreneurs and artisans may benefit from credit or training (such as business planning, marketing, inventory and quality control) to expand their businesses and generate local employment.

**GN35.3.** Land acquisition may result in elimination or restriction of access to commonly held natural resources such as range land, pasture, fallow land, and non-timber forest resources (for example, medicinal plants, construction, and handicraft materials), woodlots for timber and fuelwood, or fishing grounds. In such instances, land-based compensation in the form of suitable replacement land, or access to other areas of natural resources to address the loss of such resources is provided. Such assistance can take the form of initiatives that enhance the productivity or sustainable use of the remaining resources to which the community has access (for example, improved resource management practices or inputs to boost the productivity of the resource base), in-kind provision of resources, or as a last resort, cash compensation intended to compensate those affected for loss of access for some reasonable period of time. (See also ESS6.)

36. *Transitional support will be provided as necessary to alleconomically displaced persons, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living.*

**GN36.1.** See the GN for Paragraph 15.

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**C. Collaboration with Other Responsible Agencies or Subnational Jurisdictions**

37. *The Borrower will establish means of collaboration between the agency or entity responsible for project implementation and any other governmental agencies, subnational jurisdictions or entities that are responsible for any aspects of land acquisition, resettlement planning, or provision of necessary assistance. In addition, where the capacity of other responsible agencies is limited, the Borrower will actively support resettlement planning, implementation, and monitoring. If the procedures or standards of other responsible agencies do not meet the relevant requirements of this ESS, the Borrower will prepare supplemental arrangements or provisions for inclusion in the resettlement plan to address identified shortcomings. The plan will also specify financial responsibilities for each of the agencies involved, appropriate timing and sequencing for implementation steps, and coordination arrangements for addressing financial contingencies or responding to unforeseen*

**GN37.1.** There may be cases where the project implementing agency of a project lacks the legal authority or organizational capacity to undertake land acquisition and provide resettlement assistance directly. Instead, that responsibility may be within the mandate of another agency that is not directly involved in project implementation. In such instances, it is recommended that the Borrower take early and proactive steps in establishing ways to collaborate between all relevant agencies.

**D. Technical and Financial Assistance**

38. *The Borrower may request technical assistance from the Bank to strengthen Borrower capacity, or the capacity of other responsible agencies, for resettlement planning, implementation and monitoring. Such forms of assistance may include staff training, assistance in formulating new regulations or policies relating to land acquisition or other aspects of resettlement, financing for assessments or other investment costs associated with physical or economic displacement, or other purposes.*

39. *The Borrower may request the Bank to finance either a component of the main investment causing displacement and requiring resettlement, or a free-standing resettlement project with appropriate cross-conditionalities, processed and implemented in parallel with the investment that causes the displacement. The Borrower may also request the Bank to finance resettlement even though it is not financing the main investment that makes resettlement necessary.*

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**ESS5-ANNEX 1. Involuntary Resettlement Instruments**

1. This Annex describes the elements of the plans addressing physical and/or economic displacement described in paragraph 21 of ESS 5. For purposes of this Annex, these plans shall be referred to as "resettlement plans". Resettlement plans include measures to address physical and/or economic displacement, depending on the nature of the impacts expected from a project. Projects may use alternative nomenclature, depending on the scope of the resettlement plan – for example, where a project involves only economic displacement, the resettlement plan may be called a "livelihood plan" or where restrictions on access to legally designated parks and protected areas are involved, the plan may take the form of a "process framework." This Annex also describes the framework referred to paragraph 25 of ESS 5.

**A. Resettlement Plan**

2. The scope of requirements and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. The plan is based on up-to-date and reliable information about (a) the proposed project and its potential impacts on the displaced persons and other adversely affected groups, (b) appropriate and feasible mitigation measures, and (c) the legal and institutional arrangements required for effective implementation of resettlement measures.

**Minimum Elements of a Resettlement Plan**

3. Description of the project. General description of the project and identification of the project area.

4. Potential impacts. Identification of:

- (a) the project components or activities that give rise to displacement, explaining why the selected land must be acquired for use within the timeframe of the project;
- (b) the zone of impact of such components or activities;
- (c) the scope and scale of land acquisition and impacts on structures and other fixed assets;
- (d) any project-imposed restrictions on use of, or access to, land or natural resources;
- (e) alternatives considered to avoid or minimize displacement and why those were rejected; and
- (f) the mechanisms established to minimize displacement, to the extent possible, during project

5. Objectives. The main objectives of the resettlement program.

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6. *Census survey and baseline socio-economic studies. The findings of a household-level census identifying and enumerating affected persons, and, with the involvement of affected persons, surveying land, structures and other fixed assets to be affected by the project. The census survey also serves other essential functions:*
- (a) *identifying characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;*
  - (b) *information on vulnerable groups or persons for whom special provisions may have to be made;*
  - (c) *identifying public or community infrastructure, property or services that may be affected;*
  - (d) *providing a basis for the design of, and budgeting for, the resettlement program;*
  - (e) *in conjunction with establishment of a cut-off date, providing a basis for excluding ineligible people from compensation and resettlement assistance; and*
  - (f) *establishing baseline conditions for monitoring and evaluation purposes.*
  - (g) *As the Bank may deem relevant, additional studies on the following subjects may be required to supplement or inform the census survey:*
  - (h) *land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;*
  - (i) *the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project; and*
  - (j) *social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and*
7. *Legal framework. The findings of an analysis of the legal framework, covering*
- (a) *the scope of the power of compulsory acquisition and imposition of land use restriction and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;*
  - (b) *the applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available grievance redress mechanisms that may be relevant to the project;*
  - (c) *laws and regulations relating to the agencies responsible for implementing resettlement*
8. *Institutional Framework. The findings of an analysis of the institutional framework covering*
- (a) *the identification of agencies responsible for resettlement activities and NGOs/CSOs that may have a role in project implementation, including providing support for displaced persons;*
  - (b) *an assessment of the institutional capacity of such agencies and NGOs/CSOs; and*
  - (c) *any steps that are proposed to enhance the institutional capacity of agencies and NGOs/CSOs responsible for resettlement implementation.*
9. *Eligibility. Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.*
10. *Valuation of and compensation for losses. The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation for land, natural resources and other assets under local law and such supplementary measures as are necessary to achieve replacement cost for them.*

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11. *Community participation. Involvement of displaced persons (including host communities, where relevant)*  
(a) *a description of the strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities;*  
(b) *a summary of the views expressed and how these views were taken into account in preparing the resettlement plan;*  
(c) *a review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them; and*  
(d) *institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are*

12. *Implementation schedule. An implementation schedule providing anticipated dates for displacement, and estimated initiation and completion dates for all resettlement plan activities. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.*

13. *Costs and budget. Tables showing categorized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.*

14. *Grievance redress mechanism. The plan describes affordable and accessible procedures for third-party settlement of disputes arising from displacement or resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.*

15. *Monitoring and evaluation. Arrangements for monitoring of displacement and resettlement activities by the implementing agency, supplemented by third-party monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of results for a reasonable period after all resettlement activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.*

16. *Arrangements for adaptive management. The plan should include provisions for adapting resettlement implementation in response to unanticipated changes in project conditions, or unanticipated obstacles to achieving satisfactory resettlement outcomes.*

**Additional Planning Requirements where Resettlement Involves Physical Displacement**

17. *When project circumstances require the physical relocation of residents (or businesses), resettlement plans require additional information and planning elements. Additional requirements include:*

18. *Transitional assistance. The plan describes assistance to be provided for relocation of household members and their possessions (or business equipment and inventory). The plan describes any additional assistance to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites (for residences or businesses) are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy is available.*

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19. *Site selection, site preparation, and relocation. When planned relocation sites are to be prepared, the resettlement plan describes the alternative relocation sites considered and explains sites selected, covering*
- (a) *institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is better or at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;*
  - (b) *identification and consideration of opportunities to improve local living standards by supplemental investment (or through establishment of project benefit-sharing arrangements) in infrastructure, facilities or services;*
  - (c) *any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;*
  - (d) *procedures for physical relocation under the project, including timetables for site preparation and transfer; and*
  - (e) *legal arrangements for regularizing tenure and transferring titles to those resettled, including provision of security of tenure for those previously lacking full legal rights to land or structures.*
20. *Housing, infrastructure, and social services. Plans to provide (or to finance local community provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to maintain or provide a comparable level of services to host populations; any necessary site development, engineering, and architectural designs for these facilities.*
21. *Environmental protection and management. A description of the boundaries of the planned relocation sites; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).*
22. *Consultation on relocation arrangements. The plan describes methods of consultation with physically displaced persons on their preferences regarding relocation alternatives available to them, including, as relevant, choices related to forms of compensation and transitional assistance, to relocating as individual households families or with preexisting communities or kinship groups, to sustaining existing patterns of group organization, and for relocation of, or retaining access to, cultural property (e.g. places of worship, pilgrimage centers, cemeteries).*
23. *Integration with host populations. Measures to mitigate the impact of planned relocation sites on any host communities, including*
- (a) *consultations with host communities and local governments;*
  - (b) *arrangements for prompt tendering of any payment due the hosts for land or other assets provided in support of planned relocation sites;*
  - (c) *arrangements for identifying and addressing any conflict that may arise between those resettled and host communities; and*
  - (d) *any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to meet increased demands upon them, or to make them at least comparable to services available within planned relocation sites.*

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**Additional Planning Requirements where Resettlement Involves Economic Displacement**

24. *If land acquisition or restrictions on use of, or access to, land or natural resources may cause significant economic displacement, arrangements to provide displaced persons with sufficient opportunity to improve, or at least restore, their livelihoods are also incorporated into the resettlement plan, or into a separate livelihoods improvement plan. These include:*

25. *Direct land replacement. For those with agricultural livelihoods, the resettlement plan provides for an option to receive replacement land of equivalent productive value, or demonstrates that sufficient land of equivalent value is unavailable. Where replacement land is available, the plan describes methods and timing for its allocation to displaced persons.*

26. *Loss of access to land or resources. For those whose livelihood is affected by loss of land or resource use or access, including common property resources, the resettlement plan describes means to obtain substitutes or alternative resources, or otherwise provides support for alternative livelihoods.*

27. *Support for alternative livelihoods. For all other categories of economically displaced persons, the resettlement plan describes feasible arrangements for obtaining employment or for establishing a business, including provision of relevant supplemental assistance including skills training, credit, licenses or permits, or specialized equipment. As warranted, livelihood planning provides special assistance to women, minorities or vulnerable groups who may be disadvantaged in securing alternative livelihoods.*

28. *Consideration of economic development opportunities. The resettlement plan identifies and assesses any feasible opportunities to promote improved livelihoods as a result of resettlement processes. This may include, for example, preferential project employment arrangements, support for development of specialized products or markets, preferential commercial zoning and trading arrangements, or other measures. Where relevant, the plan should also assess the feasibility of prospects for financial distributions to communities, or directly to displaced persons, through establishment of project-based benefit-sharing arrangements.*

29. *Transitional support. The resettlement plan provides transitional support to those whose livelihoods will be disrupted. This may include payment for lost crops and lost natural resources, payment of lost profits for businesses, or payment of lost wages for employees affected by business relocation. The plan provides that the transitional support continues for the duration of the transition period.*

**B. Resettlement Framework**

30. *The purpose of the resettlement framework is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects or project components to be prepared during project implementation (see ESS5, para. 25). Once the subproject or individual project components are defined and the necessary information becomes available, such a framework will be expanded into a specific plan proportionate to potential risks and impacts. Project activities that will cause physical and/or economic displacement will not commence until such specific plans have been finalized and approved by the Bank.*

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31. The resettlement policy framework covers the following elements:
- (a) a brief description of the project and components for which land acquisition and resettlement are required, and an explanation of why a resettlement policy framework rather than a resettlement plan is being prepared;
  - (b) principles and objectives governing resettlement preparation and implementation;
  - (c) a description of the process for preparing and approving resettlement plans;
  - (d) estimated displacement impacts and estimated numbers and categories of displaced persons, to the extent feasible;
  - (e) eligibility criteria for defining various categories of displaced persons;
  - (f) a legal framework reviewing the fit between borrower laws and regulations and Bank policy requirements and measures proposed to bridge any gaps between them;
  - (g) methods of valuing affected assets;
  - (h) organizational procedures for delivery of compensation and other resettlement assistance, including, for projects involving private sector intermediaries, the responsibilities of the financial intermediary, the government, and the private developer;
  - (i) a description of the implementation process, linking resettlement implementation to civil works;
  - (j) a description of grievance redress mechanisms;
  - (k) a description of the arrangements for funding resettlement, including the preparation and review of cost estimates, the flow of funds, and contingency arrangements;
  - (l) a description of mechanisms for consultations with, and participation of, displaced persons in planning, implementation, and monitoring; and

**C. Process Framework**

32. A process framework is prepared when Bank-supported projects may cause restrictions in access to natural resources in legally designated parks and protected areas. The purpose of the process framework is to establish a process by which members of potentially affected communities participate in design of project components, determination of measures necessary to achieve the objectives of this ESS, and implementation and monitoring of relevant project activities.

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33. Specifically, the process framework describes participatory processes by which the following activities will be accomplished
- (a) Project components will be prepared and implemented. The document should briefly describe the project and components or activities that may involve new or more stringent restrictions on natural resource use. It should also describe the process by which potentially displaced persons participate in project design.
  - (b) Criteria for eligibility of affected persons will be determined. The document should establish that potentially affected communities will be involved in identifying any adverse impacts, assessing of the significance of impacts, and establishing of the criteria for eligibility for any mitigating or compensating measures necessary.
  - (c) Measures to assist affected persons in their efforts to improve their livelihoods or restore them, in real terms, to pre-displacement levels, while maintaining the sustainability of the park or protected area will be identified. The document should describe methods and procedures by which communities will identify and choose potential mitigating or compensating measures to be provided to those adversely affected, and procedures by which adversely affected community members will decide among the options available to them.
  - (d) Potential conflicts or grievances within or between affected communities will be resolved. The document should describe the process for resolving disputes relating to resource use restrictions that may arise between or among affected communities, and grievances that may arise from members of communities who are dissatisfied with the eligibility criteria, community planning measures, or actual implementation.
  - (e) Additionally, the process framework should describe arrangements relating to the following
  - (f) Administrative and legal procedures. The document should review agreements reached regarding the process approach with relevant administrative jurisdictions and line ministries (including clear delineation for administrative and financial responsibilities under the project).

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**Guidance Note for ESS6**  
**Biodiversity Conservation and Sustainable Management of Living Natural Resources**

*The Guidance Notes provide guidance for the Borrower on the application of the Environmental and Social Standards (ESSs), which form part of the World Bank’s 2016 Environmental and Social Framework. The Guidance Notes help to explain the requirements of the ESSs; they are not Bank policy, nor are they mandatory. The Guidance Notes do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Guidance Notes and the ESSs, the provisions of the ESSs prevail. Each paragraph of the Standard is highlighted in a box, followed by the corresponding guidance.*

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**Biodiversity Conservation and Sustainable Management of Living Natural Resources**

**Introduction**

1. ESS6 recognizes that protecting and conserving biodiversity and sustainably managing living natural resources are fundamental to sustainable development. Biodiversity is defined as the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species, and of ecosystems. Biodiversity often underpins ecosystem services valued by humans. Impacts on biodiversity can therefore often adversely affect the delivery of ecosystem services.<sup>1</sup>

Footnote 1. Requirements related to ecosystem services are set out in ESS1.

2. ESS6 recognizes the importance of maintaining core ecological functions of habitats, including forests, and the biodiversity they support. Habitat is defined as a terrestrial, freshwater, or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment. All habitats support complexities of living organisms and vary in terms of species diversity, abundance and importance.

3. This ESS also addresses sustainable management of primary production<sup>2</sup> and harvesting<sup>3</sup> of living natural resources.

Footnote 2. Primary production of living natural resources is cultivation or rearing of plants or animals, including annual and perennial crop farming, animal husbandry (including livestock), aquaculture, plantation forestry, etc.

Footnote 3. Harvesting of living natural resources, such as fish and all other types of aquatic and terrestrial organisms and timber, refers to productive activities that include extraction of these resources from natural and modified ecosystems and habitats.

4. ESS6 recognizes the need to consider the livelihood of project-affected parties, including Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, whose access to, or use of, biodiversity or living natural resources may be affected by a project. The potential, positive role of project-affected parties, including Indigenous Peoples, in biodiversity conservation and sustainable management of living natural resources is also considered.

**Objectives**

- To protect and conserve biodiversity and habitats.
- To apply the mitigation hierarchy<sup>4</sup> and the precautionary approach in the design and implementation of projects that could have an impact on biodiversity.
- To promote the sustainable management of living natural resources.
- To support livelihoods of local communities, including Indigenous Peoples, and inclusive economic development, through the adoption of practices that integrate conservation needs and development priorities.

Footnote 4: As set out in ESS1.

**Scope of Application**

5. The applicability of this ESS is established during the environmental and social assessment described in ESS1.

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6. *Based on the environmental and social assessment, the requirements of this ESS are applied to all projects that potentially affect biodiversity or habitats, either positively or negatively, directly or indirectly, or that depend upon biodiversity for their success.*

7. *This ESS also applies to projects that involve primary production and/or harvesting of living natural resources.*

**GN6.1.** Projects in many different sectors can affect biodiversity or habitats. There is a wide range of project-related physical and/or biological impacts that can affect biodiversity and habitats, including, for example, habitat conversion; interruption of important ecological processes such as species migrations, dispersal, or pollination; degradation of habitat quality (from air/water pollution or temperature change, light or noise pollution, habitat fragmentation); introduction of invasive alien species; and vulnerability to fire or other stresses.

**GN7.1.** Harvesting of living natural resources includes harvesting of native wild species as well as harvesting of substances produced by living species, such as sap from trees, or honey and wax from bees.

**Requirements**

**A. General**

8. *The environmental and social assessment as set out in ESS1 will consider direct, indirect and cumulative project-related impacts on habitats and the biodiversity they support. This assessment will consider threats to biodiversity, for example habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, pollution and incidental take, as well as projected climate change impacts. It will determine the significance of biodiversity or habitats based on their vulnerability and irreplaceability at a global, regional or national level and will also take into account the differing values attached to biodiversity and habitats by project-affected parties and other interested parties.*

**GN8.1.** ESS1, Footnotes 20-22, and the related Guidance Note, provide definitions and guidance relating to direct, indirect and cumulative impacts.

**GN8.2.** Managing risks and impacts of projects on biodiversity and natural habitats begins with scoping to determine whether the project has the potential to affect areas important for biodiversity and living natural resources. A useful first step is to use, for example, tools and databases available online or in-country that can identify areas and species of conservation importance, to determine whether the project area is located within or near them.

**GN8.3.** If scoping indicates proximity of the project to areas important for biodiversity and living natural resources, the environmental and social assessment analyzes specific risks and impacts, using the best available data for review and analysis. Depending on the nature and scale of the project, such analysis includes existing spatial data and landscape mapping, where possible. Resources that can be used for the analysis include land classification and land use maps, satellite imagery or aerial photographs, vegetation type and ecosystem maps, and topographical and hydrological mapping such as those for watersheds and inter-fluvial zones.

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9. *The Borrower will avoid adverse impacts on biodiversity and habitats. When avoidance of adverse impacts is not possible, the Borrower will implement measures to minimize adverse impacts and restore biodiversity in accordance with the mitigation hierarchy provided in ESS1 and with the requirements of this ESS. The Borrower will ensure that competent biodiversity expertise is utilized to conduct the environmental and social assessment and the verification of the effectiveness and feasibility of mitigation measures. Where significant risks and adverse impacts on biodiversity have been identified, the Borrower will develop and implement a Biodiversity Management Plan.<sup>5</sup>*

*Footnote 5. Depending on the nature and the scale of the risks and impacts of the project, the Biodiversity Management Plan may be a stand-alone document or it may be included as part of the ESCP prepared under ESS1.*

**GN9.1.** A Biodiversity Management Plan (BMP) typically includes key biodiversity objectives, activities to achieve the objectives, an implementation schedule, institutional responsibilities and cost and resourcing estimates. Indicative content for such a plan is included as Appendix 1 to this Guidance Note.

**Assessment of Risks and Impacts**

10. *Through the environmental and social assessment, the Borrower will identify the potential project-related risks to and impacts on habitats and the biodiversity that they support. In accordance with the mitigation hierarchy, the Borrower will make the initial assessment of project risks and impacts without taking into account the possibility of biodiversity offsets.<sup>6</sup> The assessment undertaken by the Borrower will include identification of the types of habitats potentially affected and consideration of potential risks to and impacts on the ecological function of the habitats. The assessment will encompass any areas of potential biodiversity importance that may be affected by the project, whether or not they are protected under national law. The extent of the assessment will be proportionate to the risks and impacts, based on their likelihood, significance and severity, and will reflect the concerns of project-affected parties and other interested parties.*

*Footnote 6. Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development and persisting after appropriate avoidance, minimization and restoration measures have been taken. Therefore, potential offsets should not be considered in determining inherent risks of the project.*

11. *The Borrower's assessment will include characterization of baseline conditions to a degree that is proportional and specific to the anticipated risk and significance of impacts. In planning and undertaking environmental and social assessment related to the biodiversity baseline, the Borrower will follow relevant GIIP utilizing desktop review, consultation with experts, and field-based approaches, as appropriate. Where further investigations are needed to evaluate the significance of potential impacts, the Borrower will carry out additional investigation and/or monitoring before undertaking any project-related activities, and before taking irrevocable decisions about project design that could cause significant adverse impacts to potentially affected habitats and the biodiversity that they support.*

**GN11.1.** Depending on the results of the scoping, the environmental and social assessment identifies and describes the following:

- (a) *Ecosystems Affected.* The different types of habitats that could be affected by the project and the existing quality of the potentially affected habitats;

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- (b) *Species Affected.* Species of global or national conservation interest; and of significant local interest for livelihoods, nutrition, or other reasons that may potentially be affected by the project. Species of global or national conservation interest include those classified as Critically Endangered, Endangered, Vulnerable, or Near Threatened under international Red List criteria.
- (c) *Ecosystem Services Affected.* Any important ecosystem services that are provided by the biodiversity and living natural resources that may be affected by the project, and their value to project-affected and other interested parties. Ecosystem services are the benefits that people derive from ecosystems. They are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems and which may include food, freshwater, timbers, fibers, medicinal plants; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes and which may include surface water purification, carbon storage and sequestration, climate regulation, protection from natural hazards; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems and which may include natural areas that are sacred sites and areas of importance for recreation and aesthetic enjoyment; and (iv) supporting services, which are the natural processes that maintain the other services and which may include soil formation, nutrient cycling and primary production. Depending on their significance, potential adverse impacts on ecosystem services are considered in the assessment of social risks and impacts of the project, such as community health, safety, livelihoods and cultural values.
- (d) *Protection Status.* Whether the ecosystems (land, water, and air), species, or ecosystem services affected by the project have protected status, such as (i) any category of formal protected area (national park, wildlife reserve, etc.); (ii) other protection under national or local laws or regulations (such as restrictions on forest clearing or wetland conversion); (iii) formal or informal protection by local communities or traditional authorities (such as community forests or grazing lands, or sacred natural sites), or (iv) have existing or proposed recognition as a Ramsar Wetland of International Importance, UNESCO Biosphere Reserve, World Heritage Natural Site, or other special international or national status.
- (e) *Site Ownership and Control.* Ownership, control, and/or use of the biodiversity and natural living resources where project risks and impacts may occur.
- (f) *Baseline Threats.* The description of the existing baseline including (i) habitat loss or degradation, (ii) trends with and without the project, and (iii) existing and likely future threats, including cumulative impacts (as defined in ESS1). Threats might include, for example, ongoing habitat loss or degradation (including from the decline of over-exploited species) from long-standing or recently-initiated human activities, existing development plans for the area, or expected climate change.
- (g) *Potential Project-related Risks and Impacts.* Potentially significant physical, biological, chemical and hydrological impacts to biodiversity and living natural resources resulting from the project. This includes an estimate of the extent of the impacts, for example, the size of habitats expected

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to be converted (lost) or modified (including degradation), and the proportion of the specific species populations at risk. Temporary or seasonal impacts on biodiversity and living natural resources are included as well; impacts on wildlife may be temporary depending on their timing in relation to daily cycles of movement and activity, or seasonal depending on cycles of migration, breeding and food abundance.

**GN11.2.** The nature and level of detail of baseline data is determined during the scoping stage of the environmental and social assessment, with the involvement of technical specialists, local communities and other stakeholders, as appropriate. Baseline data studies may comprise a combination of literature review, stakeholder engagement, in-field surveys and other assessments, using GIIP and reflecting the nature and significant of potential risks and impacts of the project.

**GN 11.3.** It is recognized that decisions regarding the management of biodiversity, habitats and natural resources often are made in the context of scientific uncertainty. In part this is because reliable baseline data on the status and trends of species and habitats are scarce or absent for many locations. Another source of uncertainty is that ecological systems are inherently highly complex, often making it difficult to predict the multiple and long-term impacts of actions.

12. *Where the environmental and social assessment has identified potential risks and impacts on biodiversity or habitats, the Borrower will manage those risks and impacts in accordance with the mitigation hierarchy and GIIP. The Borrower will adopt a precautionary approach and apply adaptive management practices in which the implementation of mitigation and management measures are responsive to changing conditions and the results of project monitoring.*

**Conservation of Biodiversity and Habitats**

13. *"Habitat" is defined as a terrestrial, freshwater, or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment. Habitats vary in their significance for conserving globally, regionally and nationally important biodiversity, their sensitivity to impacts and in the significance different stakeholders attribute to them. Because, in most instances, habitat loss, degradation or fragmentation represents the greatest threat to biodiversity, much of the focus of biodiversity conservation actions is on maintaining or restoring suitable habitats.*

**GN13.1.** Habitats are three-dimensional and include the biologically active airspace above land or water areas. Some airspaces, such as migratory bird corridors, for example, may be of high biodiversity significance, even if the land underneath them has been highly modified. In certain circumstances, habitats also may extend below ground to include caves, aquifers, and other subterranean ecosystems.

14. *This ESS requires a differentiated risk management approach to habitats based on their sensitivity and values. This ESS addresses all habitats, categorized as 'modified habitat', 'natural habitat', and 'critical habitat', along with 'legally protected and internationally and regionally recognized areas of biodiversity value' which may encompass habitat in any or all of these categories.*

**GN14.1.** Both natural and modified habitats can be classified as a critical habitat (see Paragraph 23).

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15. For the protection and conservation of habitats and the biodiversity they support, the mitigation hierarchy includes biodiversity offsets. Offsets will be considered as a last resort, only if significant residual adverse impacts remain after all technically and financially feasible avoidance, minimization, and restoration measures have been considered.

16. A biodiversity offset will be designed and implemented to achieve measurable, additional, and long-term conservation outcomes<sup>7</sup> that can reasonably be expected to result in no net loss<sup>8</sup> and preferably a net gain<sup>9</sup> of biodiversity. In the case of an offset used as mitigation for residual adverse impacts on any area of critical habitat, a net gain is required. The design of a biodiversity offset will adhere to the “like-for-like or better” principle<sup>10</sup> and will be carried out in alignment with GIIP.

Footnote 7. Measurable conservation outcomes for biodiversity will be demonstrated in situ (in natural conditions, not in captivity or depository) and on an appropriate geographic scale (e.g., at the local, national or regional level).

Footnote 8. ‘No net loss’ is defined as the point at which project-related biodiversity losses are balanced by gains resulting from measures taken to avoid and minimize these impacts, to undertake on-site restoration and finally to offset significant residual impacts, if any, on an appropriate geographic scale.

Footnote 9. ‘Net gains’ are additional conservation outcomes that can be achieved for the biodiversity values for which the natural or critical habitat was designated. Net gains may be achieved through full application of the mitigation hierarchy that may include the development of a biodiversity offset and/or, in instances where the Borrower could meet the requirements of paragraph 24 of this ESS without a biodiversity offset, through the implementation of additional programs in situ to enhance habitat, and protect and conserve biodiversity.

Footnote 10. The principle of “like-for-like or better” means that in most cases biodiversity offsets should be designed to conserve the same biodiversity values that are being affected by the project (an “in kind” offset). In certain situations, however, areas of biodiversity to be affected by the project may be neither a national nor a local priority, and there may be other areas of biodiversity with like values that are a higher priority for conservation and sustainable use and under imminent threat or in need of protection or effective management. In these situations, it may be appropriate to consider an “out-of-kind” offset that involves “trading up” (i.e., where the offset targets biodiversity of higher priority than that affected by the project). Regardless of type, any areas considered as offsets for residual adverse impacts in critical habitats will also be critical habitats, meeting the criteria of paragraph 24 of this ESS.

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**GN15.1.** If, as a last resort, a biodiversity offset is being considered, it is important to include in the BMP both an evaluation of the offset and documentation that all technically and financially feasible measures have been taken to avoid, minimize and mitigate significant adverse impacts.

**GN 16.1 (Footnote 10).** The principle of “like for like or better” can be achieved in a number of ways and is based on an evaluation of the biodiversity and ecological values that may be at risk. Offsets are typically “off-site,” usually (though not always) located outside the area in which the project is located. For example, in restoration offsets, conservation gains are achieved by restoring the biodiversity value of an area that was previously degraded through causes not related to the project.

17. When a Borrower is considering the development of an offset as part of the mitigation strategy, stakeholders and qualified experts with demonstrated knowledge in offset design and implementation will be involved. The Borrower will demonstrate the long-term technical and financial feasibility of undertaking the offset. When offsets are proposed for residual adverse impacts on critical habitat, the Borrower will engage one or more independent internationally recognized experts to advise as to whether the proposed offset is feasible and whether, in their professional opinion, it can be reasonably expected to result in a sustainable net gain of

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*biodiversity values for which the critical habitat was designated.*

**GN17.1.** The BMP outlines measures to be implemented in support of the long-term feasibility of any proposed offset. These measures may include institutional capacity, financial support, legal protection, and security.

**GN17.2.** Paragraph 17 refers to the engagement of internationally recognized independent experts in specific circumstances in which there is a need for a higher degree of independent advice to the project. The engagement of an internationally recognized independent expert reflects the significance of the decision to propose an offset, and is intended to avoid any conflict of interest, whether actual or perceived. Technical expertise, competency and substantive experience in designing or managing offsets with similar risks and impacts are prerequisites for engagement of the expert. For further discussion of “internationally recognized independent experts” to be engaged under Bank projects, see also Guidance Note for ESS1, paragraph 25.3.

*18. Certain residual adverse impacts cannot be offset, particularly if the affected area is unique and irreplaceable from a biodiversity standpoint. In such cases, the Borrower will not undertake the project unless it is redesigned to avoid the need for such offset, and to meet the requirements of this ESS.*

**Modified Habitat**

*19. Modified habitats are areas that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area’s primary ecological functions and species composition.<sup>11</sup> Modified habitats may include, for example, areas managed for agriculture, forest plantations, reclaimed<sup>12</sup> coastal zones, and reclaimed wetlands.*

*Footnote 11. A habitat will not be deemed to be a modified habitat where it has been converted in anticipation of the project.*

*Footnote 12. Reclamation as used in this context is the process of creating new land from sea or other aquatic areas for productive use.*

**GN19.1.** There are few natural habitats that are free from non-native species or modification by human activity, for example, because of over harvesting or over grazing, pollution or the introduction of invasive species. Differentiating modified habitat from natural habitat may call for expert judgement as to whether the character and functions of the habitat remain essentially natural. Habitats impacted by potentially harmful human activities are typically still considered as natural habitats if such activities:

- (a) Have limited impact on the species composition or ecological function of the habitat;
- (b) Form part of a long-term pattern of traditional use, to which native species assemblages have adapted;
- (c) Are no longer prevalent, and the habitat supports a mature and diverse community of predominantly native species; or
- (d) Have not profoundly affected the habitat’s ability to recover its former ecological characteristics.

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**GN19.2 (Footnote 11).** Where a habitat was converted in anticipation of the proposed project, the requirements of ESS6 that are appropriate for the original habitat are applicable. Conversion of habitats in the project area in anticipation of the project is considered as an adverse impact of the project, even if it takes place before project identification. However, it is important to note that for ESS6 to apply to a previous conversion, it has to have taken place reasonably close in time to project identification. Where prior conversion in anticipation of the project precedes project identification by the Bank, the environmental and social assessment should assess the impacts of the prior conversion and application of ESS6.

20. *This ESS applies to those areas of modified habitat that include significant biodiversity value, as determined by the environmental and social assessment required in ESS1. The Borrower will avoid or minimize impacts on such biodiversity and implement mitigation measures as appropriate.*

**GN20.1.** Examples of modified habitats with significant biodiversity value may include:

- (a) Tree plantations or other perennial crops that provide corridors enabling birds or other animals to move between areas of natural habitat;
- (b) Livestock pastures that also provide seasonal grazing for wildlife;
- (c) Orchards and horticultural fields that provide pollen and nectar for bees and other pollinators; and
- (d) Abandoned quarries that provide habitat for migratory birds and other wetland species.

**Natural Habitat**

21. *Natural habitats are areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area's primary ecological functions and species composition.*

22. *If natural habitats are identified as part of the assessment, the Borrower will seek to avoid adverse impacts on them in accordance with the mitigation hierarchy. Where natural habitats have the potential to be adversely affected by the project, the Borrower will not implement any project related activities unless:*

- (a) *There are no technically and financially feasible alternatives; and*
- (b) *Appropriate mitigation measures are put in place, in accordance with the mitigation hierarchy, to achieve no net loss and, where feasible, preferably a net gain of biodiversity over the long term. When residual impacts remain despite best efforts to avoid, minimize and mitigate impacts, and where appropriate and supported by relevant stakeholders, mitigation measures may include biodiversity offsets adhering to the principle of "like-for-like or better".*

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**Critical Habitat**

23. *Critical habitat is defined as areas with high biodiversity importance or value, including:*

- (a) *habitat of significant importance to Critically Endangered or Endangered species, as listed in the IUCN Red List of threatened species or equivalent national approaches;*
- (b) *habitat of significant importance to endemic or restricted-range species;*
- (c) *habitat supporting globally or nationally significant concentrations of migratory or congregatory species;*
- (d) *highly threatened or unique ecosystems;*
- (e) *ecological functions or characteristics that are needed to maintain the viability of the biodiversity values described above in (a) to (d).*

24. *In areas of critical habitat, the Borrower will not implement any project activities that have potential adverse impacts unless all of the following conditions are met:*

- (a) *No other viable alternatives within the region exist for development of the project in habitats of lesser biodiversity value;*
- (b) *All due process required under international obligations or national law that is a prerequisite to a country granting approval for project activities in or adjacent to a critical habitat has been complied with;*
- (c) *The potential adverse impacts, or likelihood of such, on the habitat will not lead to measurable net reduction or negative change in those biodiversity values for which the critical habitat was designated;*
- (d) *The project is not anticipated to lead to a net reduction in the population<sup>13</sup> of any Critically Endangered, Endangered, or restricted-range species, over a reasonable time period;<sup>14</sup>*
- (e) *The project will not involve significant conversion or significant degradation of critical habitats. In circumstances where the project involves new or renewed forestry or agricultural plantations, it will not convert or degrade any critical habitat;*
- (f) *The project's mitigation strategy will be designed to achieve net gains of those biodiversity values for which the critical habitat was designated; and*
- (g) *A robust and appropriately designed, long-term biodiversity monitoring and evaluation program aimed at assessing the status of the critical habitat is integrated into the Borrower's management program.*

*Footnote 13. Net reduction is a singular or cumulative loss of individuals that affects the species' ability to persist at the global and/or regional/national scales for many generations or over a long period of time. The scale (i.e., global and/or regional/national) of the potential net reduction is determined based on the species' listing on either the (global) IUCN Red List and/or on regional/national lists. For species listed on both the (global) IUCN Red List and the national/regional lists, the net reduction will be based on the national/regional population.*

*Footnote 14. The timeframe in which Borrowers will demonstrate "no net reduction" of Critically Endangered and Endangered, endemic and /or restricted-range species will be determined on a case-by-case basis and, where appropriate, in consultation with qualified experts and taking into account the species' biology.*

**GN24.1 (Footnote 14).** Factors to consider in determining the appropriate time frame for demonstrating "no net reduction" include:

- (a) The time period during which significant adverse biodiversity impacts are likely to occur (for example, during construction and/or operation);

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- (b) The reproductive cycles and behavior of the species in question (for example, it may take several years to observe project impacts on populations of slow-reproducing species); and
- (c) The type of mitigation measures proposed (for example, restoration of degraded habitats may take several years to demonstrate full recovery).

25. Where a Borrower has satisfied the conditions set out in paragraph 24, the project's mitigation strategy will be described in a Biodiversity Management Plan and set out in the legal agreement (including the ESCP).

**Legally Protected and Internationally Recognized Areas of High Biodiversity Value**

26. Where the project occurs within or has the potential to adversely affect an area that is legally protected,<sup>15</sup> designated for protection, or regionally or internationally recognized,<sup>16</sup> the Borrower will ensure that any activities undertaken are consistent with the area's legal protection status and management objectives. The Borrower will also identify and assess potential project-related adverse impacts and apply the mitigation hierarchy so as to prevent or mitigate adverse impacts from projects that could compromise the integrity, conservation objectives or biodiversity importance of such an area.

Footnote 15. This ESS recognizes legally protected areas that meet the following definition: "A clearly defined geographical space, recognized, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values." For the purpose of this ESS, this includes areas proposed by governments for such designation.

Footnote 16. Internationally recognized areas of high biodiversity value include World Heritage Natural Sites, Biosphere Reserves, Ramsar Wetlands of International Importance, Key Biodiversity Areas, Important Bird Areas, and Alliance for Zero Extinction Sites, among others.

27. The Borrower will meet the requirements of paragraphs 13 through 25 of this ESS, as applicable. In addition, the Borrower will:

- (a) Demonstrate that the proposed development in such areas is legally permitted;
- (b) Act in a manner consistent with any government recognized management plans for such areas;
- (c) Consult and involve protected area sponsors and managers, project-affected parties including Indigenous Peoples, and other interested parties on planning, designing, implementing, monitoring, and evaluating the proposed project, as appropriate; and
- (d) Implement additional programs, as appropriate, to promote and enhance the conservation aims and effective management of the area.

**Invasive Alien Species**

28. Intentional or accidental introduction of alien, or non-native, species of flora and fauna into areas where they are not normally found can be a significant threat to biodiversity, since some alien species can become invasive, spreading rapidly and destroying or out-competing native species.

29. The Borrower will not intentionally introduce any new alien species (not currently established in the country or region of the project) unless this is carried out in accordance with the existing regulatory framework for such introduction. Notwithstanding the above, the Borrower will not deliberately introduce any alien species with a high risk of invasive behavior regardless of whether such introductions are permitted under the existing

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*regulatory framework. All introductions of alien species will be subject to a risk assessment (as part of the Borrower's environmental and social assessment) to determine the potential for invasive behavior. The Borrower will implement measures to avoid the potential for accidental or unintended introductions including the transportation of substrates and vectors (such as soil, ballast, and plant materials) that may harbor alien species.*

**GN29.1.** Many types of alien species – including agricultural crops – may not be native but are not invasive and do not themselves pose a threat to biodiversity. Only invasive alien species are considered to cause adverse impacts on biodiversity. Types of projects where invasive alien species may present a high risk include linear infrastructure, such as a pipeline, transmission line, road or rail development. This is because the right-of-way may traverse and link several habitats through one corridor, providing optimal means for a species to quickly spread through the region. In addition, international shipping of goods and services, including transportation of cargo and heavy machinery, may also present risks for introduction of new alien species.

**GN29.2.** Preventive measures are taken to reduce the risk of transportation, transmission or accidental introduction of invasive alien plant or animal species, pests and pathogens. In areas where invasive species are known to pose a significant risk to natural and critical habitats, it is recommended to include a survey and review of such species in the biodiversity baseline.

**GN29.3.** For projects in or potentially adversely affecting non-critical habitat, appropriate mitigation measures can be incorporated into the BMP. For projects in or potentially adversely affecting critical habitats, a management plan may be prepared. This should set out preventive and mitigation measures such as inspection, wash-down and quarantine procedures specifically designed to address the spread of invasive species. When invasive alien species are introduced under the project, monitoring of the species may be necessary and included in the BMP.

*30. Where alien species are already established in the country or region of the proposed project, the Borrower will exercise diligence in not spreading them into areas in which they have not already become established. Where feasible, the Borrower will take measures to eradicate such species from the natural habitats over which the Borrower has management control.*

**Sustainable Management of Living Natural Resources**

*31. The Borrower with projects involving primary production and harvesting of living natural resources will assess the overall sustainability of these activities, as well as their potential impacts on local, nearby or ecologically linked habitats, biodiversity and communities, including Indigenous Peoples.*

**GN31.1.** Primary production and harvesting are defined in Footnotes 2 and 3. They may include: forestry, whether in natural forests or in plantations, as well as collection of non-timber forest products, which may be harvested from natural forests; agriculture, including both annual and perennial crops and animal husbandry; and both wild and capture fisheries, including all types of marine and freshwater organisms, both vertebrate and invertebrate.

**GN31.2.** Management of living natural resources in a sustainable manner means that the land or water resource maintains its productive capacity over time.

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32. *The Borrower will manage living natural resources in a sustainable manner, through the application of good management practices and available technologies. Where such primary production practices are codified in standards that are globally, regionally, or nationally recognized, particularly for industrial-scale operations, the Borrower and the Bank will agree on the standards to be applied. In the absence of relevant standards for the particular living natural resources in the country concerned, the Borrower will apply GIIP.*

33. *For projects involving small scale producers,<sup>17</sup> the Borrower will require producers to operate in a sustainable manner and to gradually improve their practices where such opportunities exist. Where the project consists of a large number of small producers in the same geographical area, the Borrower will assess the potential for cumulative risks and impacts.*

*Footnote 17. Small scale can be determined by the national context of a given country and is generally relative to the average size of household landholdings.*

**GN33.1.** Operating in a sustainable manner means that small-scale producers employ production and harvesting techniques that allow continued, long-term production of the resource from the same natural resource base.

34. *Where the project includes commercial agriculture and forestry plantations (particularly projects involving land clearing or afforestation), the Borrower will locate such projects on land that is already converted or highly degraded (excluding any land that has been converted in anticipation of the project). In view of the potential for plantation projects to introduce invasive alien species and threaten biodiversity, such projects will be designed to prevent and mitigate these potential threats to natural habitats. When the Borrower invests in production forestry in natural forests, these forests will be managed sustainably.*

35. *Where projects involve harvesting of living natural resources, the Borrower will require that these resources are managed in a sustainable manner. In particular, forests and aquatic systems are principal providers of these resources, and need to be managed as specified below.*

- (a) For projects involving industrial-scale commercial forest harvesting operations, the Borrower will ensure such operations are certified under an independent forest certification system <sup>18</sup> or adhere to a time-bound phased action plan acceptable to the Bank for achieving certification to such a system.*
- (b) For projects involving forest harvesting operations conducted by small-scale producers, by local communities under community forest management, or by such entities under joint forest management arrangements, where such operations are not directly associated with an industrial-scale operation, the Borrower will ensure that they: (i) have achieved a standard of sustainable forest management developed with the meaningful participation of project-affected parties including Indigenous Peoples, consistent with the principles and criteria of sustainable forest management, even if not formally certified; or (ii) adhere to a time-bound action plan to achieve such a standard. The action plan will be developed with the meaningful participation of project-affected parties and be acceptable to the Bank. The Borrower will ensure that all such operations are monitored with the meaningful participation of project-affected parties.*
- (c) For projects involving industrial-scale harvesting of fish populations and all other types of marine and freshwater organisms, the Borrower will demonstrate that their activities are being undertaken in a sustainable manner, consistent with the principles and criteria for sustainable harvesting.*

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Footnote 18. An independent forest certification system will require independent, third-party assessment of forest management performance. It will be cost-effective and based on objective and measurable performance standards that are defined at the national level and are compatible with internationally accepted principles and criteria of sustainable forest management.

36. For projects that do not involve primary production or harvesting of living natural resources and entail salvage logging, for example in areas to be inundated, the Borrower will limit cleared areas to a minimum and justified by the project's technical requirements, and that relevant national legislation is being followed.

37. The Borrower involved in the industrial production of crops and animal husbandry will follow GIIP to avoid or minimize adverse risks or impacts. The Borrower involved in large-scale commercial farming, including breeding, rearing, housing, transport, and slaughter, of animals for meat or other animal products (such as milk, eggs, wool) will employ GIIP<sup>19</sup> in animal husbandry techniques, with due consideration for religious and cultural principles.

Footnote 19. Such as the IFC Good Practice Note on Improving Animal Welfare in Livestock Operations.

**B. Primary Suppliers**

38. Where a Borrower is purchasing natural resource commodities, including food, timber and fiber, that are known to originate from areas where there is a risk of significant conversion or significant degradation of natural or critical habitats, the Borrower's environmental and social assessment will include an evaluation of the systems and verification practices used by the primary suppliers.<sup>20</sup>

Footnote 20. Primary suppliers are those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. Core functions of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.

39. The Borrower will establish systems and verification practices which will:  
(a) identify where the supply is coming from and the habitat type of the source area;  
(b) where possible, limit procurement to those suppliers that can demonstrate<sup>21</sup> that they are not contributing to significant conversion or degradation of natural or critical habitats; and  
(c) where possible and within a reasonable period, shift the Borrower's primary suppliers to suppliers that can demonstrate that they are not significantly adversely impacting these areas.

Footnote 21. This may be demonstrated by delivery of certified products or achieving compliance with one or more credible standards for sustainable management of living natural resources in respect of certain commodities or locations. This will include, where appropriate, compliance with independent certification systems or progress towards achieving compliance.

**GN38.1.** Examples of natural resource commodity production that may involve significant conversion or degradation of habitats include unsustainably harvested wood products, gravel or sand extraction from river beds or beaches, plantation crop production resulting in deforestation, and aquaculture that displaces mangroves or natural wetlands.

**GN39.1.** The environmental and social assessment determines whether there are known risks regarding significant conversion or significant degradation of natural or critical habitats related to a natural resource commodity to be purchased under the project.

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**GN39.2.** Where there are appropriate certification and verification systems in place for sustainable management of living natural resources in the country of origin, it is recommended to procure natural resource commodities certified under such systems.

40. *The ability of the Borrower to fully address these risks will depend upon the Borrower's level of control or influence over its primary suppliers.*

**GN40.1.** The Borrower's ability to influence its primary suppliers depends on the terms and conditions of contracts with the primary supplier. Except in exceptional circumstances, the Borrower's leverage is not deemed to include the ability, as a sovereign state, to regulate such activities outside of the project.

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**Biodiversity Conservation and Sustainable Management of Living Natural Resources**

**Appendix A: Indicative Content of a Biodiversity Management Plan (BMP)**

- (a) **Objectives**, based on the findings of the biodiversity baseline and recommendations of the environmental and social assessment or similar document(s). These might include, for example, No Net Loss or Net Gain.
- (b) **Activities** to be carried out, along with any specific project requirements needed to achieve the intended BMP objectives. BMP activities may include, for example, new or expanded protected areas; site-specific habitat restoration, enhancement, or improved management; community benefit-sharing; livelihood restoration activities (to mitigate any negative socio-economic impacts from newly restricted access to natural resources, in accordance with ESS5); species-specific management interventions; monitoring of project implementation or biodiversity outcomes; or support for increased financial sustainability of conservation actions.
- (c) **Project Requirements** that the implementing entities follow to achieve BMP objectives, such as biodiversity-related prohibitions or specific restrictions for civil works contractors and project workers. These may cover, for example, the clearing or burning of natural vegetation; off-road driving; hunting and fishing; wildlife capture and plant collection; purchase of bush-meat or other wildlife products; free-roaming pets (which can harm or conflict with wildlife); and/or firearms possession. Seasonal or time-of-day restrictions may also be needed to minimize adverse biodiversity impacts during construction or operation. Examples include (i) limiting blasting or other noisy activities to the hours of the day when wildlife are least active; (ii) timing of construction to prevent disturbance during the nesting season for birds of conservation interest; (iii) timing of reservoir flushing to avoid harming key fish breeding activities; or (iv) curtailment of wind turbine operation during peak bird migration periods.
- (d) An **Implementation Schedule** for the key BMP activities, taking into account the planned timing of construction and other project activities.
- (e) **Institutional Responsibilities** for BMP implementation.
- (f) **Cost Estimates** for BMP implementation, including up-front investment costs and long-term recurrent costs. The BMP also specifies the funding sources for project implementation as well as recurrent operating costs.

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*The Guidance Notes provide guidance for the Borrower on the application of the Environmental and Social Standards (ESSs), which form part of the World Bank’s 2016 Environmental and Social Framework. The Guidance Notes help to explain the requirements of the ESSs; they are not Bank policy, nor are they mandatory. The Guidance Notes do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Guidance Notes and the ESSs, the provisions of the ESSs prevail. Each paragraph of the Standard is highlighted in a box, followed by the corresponding guidance.*

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**Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

**Introduction**

1. This ESS applies to a distinct social and cultural group identified in accordance with paragraphs 8 and 9 of this ESS. The terminology used for such groups varies from country to country, and often reflects national considerations. ESS7 uses the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”<sup>1</sup> recognizing that groups identified under paragraphs 8 and 9 may be referred to in different countries by different terms. Such terms include “Sub-Saharan African historically underserved traditional local communities,” “indigenous ethnic minorities,” “aboriginals,” “hill tribes,” “vulnerable and marginalized groups,” “minority nationalities,” “scheduled tribes,” “first nations” or “tribal groups.” ESS7 applies to all such groups, providing they meet the criteria set out in paragraphs 8 and 9. For the purposes of this ESS, the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” includes all such alternative terminology.

Footnote 1. ESS7 applies to a distinct social and cultural group, which has been identified as set out in paragraphs 8 and 9. The use of the terms “Indigenous Peoples,” “Sub-Saharan African Historically Underserved Traditional Local Communities” and any other alternative terminology does not broaden the scope of application of this ESS, in particular the criteria in paragraphs 8 and 9.

2. ESS7 contributes to poverty reduction and sustainable development by ensuring that projects supported by the Bank enhance opportunities for Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities to participate in, and benefit from, the development process in ways that do not threaten their unique cultural identities and well-being.<sup>2</sup>

Footnote 2. This ESS recognizes that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities have their own understanding and vision of their well-being and that, broadly, this is a holistic concept that relates to their intrinsic relationship to lands and traditional practices and is reflective of their way of life. This captures their core principles and aspirations of reaching harmony with their surroundings, and achieving solidarity, complementarity and communal living.

3. This ESS recognizes that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities have identities and aspirations that are distinct from mainstream groups in national societies and often are disadvantaged by traditional models of development. In many instances, they are among the most economically marginalized and vulnerable segments of the population. Their economic, social, and legal status frequently limits their capacity to defend their rights to, and interests in, land, territories and natural and cultural resources, and may restrict their ability to participate in and benefit from development projects. In many cases, they do not receive equitable access to project benefits, or benefits are not devised or delivered in a form that is culturally appropriate, and they may not always be adequately consulted about the design or implementation of projects that would profoundly affect their lives or communities. This ESS recognizes that the roles of men and women in indigenous cultures are often different from those in the mainstream groups, and that women and children have frequently been marginalized both within their own communities and as a result of external developments, and may have specific needs.

4. Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are inextricably linked to the land on which they live and the natural resources on which they depend. They are therefore particularly vulnerable if their land and resources are transformed, encroached upon, or significantly degraded. Projects may also undermine language use, cultural practices, institutional arrangements, and religious or spiritual beliefs that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities view as essential to their identity or well-being. However, projects may also create important opportunities for Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local

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Communities to improve their quality of life and well-being. A project may create improved access to markets, schools, clinics and other services that seek to improve living conditions. Projects can create opportunities for Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities to participate in, and benefit from project-related activities that may help them fulfill an aspiration to play an active and meaningful role as citizens and partners in development. Furthermore, this ESS recognizes that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities play a vital role in sustainable development.

5. This ESS recognizes that the situation of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities varies from region to region and from country to country. The particular national and regional contexts and the different historical and cultural backgrounds will form part of the environmental and social assessment of the project. In this way, the assessment is intended to support identification of measures to address concerns that project activities may exacerbate tensions between different ethnic or cultural groups.

**Objectives**

- To ensure that the development process fosters full respect for the human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.
- To avoid adverse impacts of projects on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, or when avoidance is not possible, to minimize, mitigate and/or compensate for such impacts.
- To promote sustainable development benefits and opportunities for Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities in a manner that is accessible, culturally appropriate and inclusive.
- To improve project design and promote local support by establishing and maintaining an ongoing relationship based on meaningful consultation with the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities affected by a project throughout the project's life-cycle.
- To obtain the Free, Prior, and Informed Consent (FPIC)<sup>3</sup> of affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities in the three circumstances described in this ESS.
- To recognize, respect and preserve the culture, knowledge, and practices of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and to provide them with an opportunity to adapt to changing conditions in a manner and in a timeframe acceptable to them.

Footnote 3. For the purposes of this ESS, FPIC is defined in paragraphs 25 and 26.

**Scope of Application**

6. This ESS applies to a distinct social and cultural group identified in accordance with paragraphs 8 and 9. In some countries, such groups are referred to as 'Indigenous Peoples.' In other countries they may be referred to by other terms, such as "Sub-Saharan African historically underserved traditional local communities," "indigenous ethnic minorities," "aboriginals," "hill tribes," "vulnerable and marginalized groups," "minority nationalities," "scheduled tribes," "first nations," or "tribal groups." As the applicability of the term "Indigenous Peoples" varies widely from country to country, the Borrower may request the Bank to use an alternative

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*terminology for the Indigenous Peoples as appropriate to the national context of the Borrower.<sup>4</sup> Regardless of which terminology is used, the requirements of this ESS will apply to all such groups. This ESS uses the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” in recognition of the different terminology which may be used to refer to Indigenous Peoples in the national context.*

*Footnote 4. The purpose of ESS7 is not to specify terminology to identify or describe these groups, which will be defined solely in accordance with the criteria set out in paragraphs 8 and 9.*

**GN6.1.** ESS7 recognizes that different terms, including those listed in paragraph 6, can be used to refer to a group identified in accordance with the criteria set out in paragraph 8 and 9 of this Standard. The term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” (IP/SSAHUTLC) is understood to apply to groups or communities, rather than individuals.

**GN6.2.** A determination that a group or community is covered under ESS7 does not affect the political or legal status of such a group or community within specific countries or states.

*7. This ESS applies whenever Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (as they may be referred to in the national context) are present in, or have collective attachment to a proposed project area, as determined during the environmental and social assessment. This ESS applies regardless of whether Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are affected positively or negatively, and regardless of the significance of any such impacts.<sup>5</sup> This ESS also applies irrespective of the presence or absence of discernible economic, political or social vulnerabilities, although the nature and extent of vulnerability will be a key variable in designing plans to promote equitable access to benefits or to mitigate adverse impacts.*

*Footnote 5. The scope and scale of consultation, as well as subsequent project planning and documentation processes, will be proportionate to the scope and scale of potential project risks and impacts as they may affect Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities. See paragraph 11.*

**GN7.1.** Whenever IP/SSAHUTLC are present in, or have collective attachment to a proposed project area ESS7 applies, regardless of the significance of project impacts and irrespective of whether such impacts are positive or negative. While ESS7 applies irrespective of the presence or absence of discernible vulnerabilities, the nature and extent of vulnerability is an important consideration in preparation of the IP/SSAHUTLC Plan, referred to in Paragraph 13 of ESS7. See Appendix A of this Guidance Note for recommended contents of an IP/SSAHUTLC Plan.

*8. In this ESS, the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” (or as they may be referred to in the national context using an alternative terminology) is used in a generic sense to refer exclusively to a distinct social and cultural group possessing the following characteristics in varying degrees:*

- (a) Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others; and*
- (b) Collective attachment<sup>6</sup> to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to the natural resources in these areas; and*
- (c) Customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture; and*
- (d) A distinct language or dialect, often different from the official language or languages of the*

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country or region in which they reside.

Footnote 6. "Collective attachment" means that for generations there has been a physical presence in and economic ties to land and territories traditionally owned, or customarily used or occupied, by the group concerned, including areas that hold special significance for it, such as sacred sites.

9. This ESS also applies to communities or groups of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities who, during the lifetime of members of the community or group, have lost collective attachment to distinct habitats or ancestral territories in the project area, because of forced severance, conflict, government resettlement programs, dispossession of their land, natural disasters, or incorporation of such territories into an urban area<sup>7</sup>. This ESS also applies to forest dwellers, hunter-gatherers, pastoralists or other nomadic groups, subject to satisfaction of the criteria in paragraph 8.

Footnote 7. Care must be taken in application of this ESS in urban areas. Generally, it does not apply to individuals or small groups migrating to urban areas in search of economic opportunity. It may apply, however, where Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities have established distinct communities in or near urban areas but still possess the characteristics stated in paragraph 8.

**GN8.1.** The Bank determines the applicability of ESS7. In doing so, the Bank undertakes a screening in accordance with paragraphs 8 and 9 of ESS7.

**GN8.2 (Footnote 6).** When determining collective attachment, consideration is given to the fact that such groups live under many different circumstances with varying levels of attachment to the areas in which they live. "Collective attachment" signifies that the groups generally consider their lands and resources to be collective assets, and that they see their culture and identity as a function of the group rather than as individuals. It also signifies that these groups' economies, modes of production, social organization and cultural and spiritual circumstances are generally linked to particular territories and natural resources. The concept of collective attachment refers to geographically distinct habitats or ancestral territories, or areas of seasonal use or occupation and the natural resources therein, and therefore, groups with collective attachment may include:

- (a) Groups resident upon the lands affected by the project. This could also include those who are nomadic or who seasonally migrate, and whose attachment to the area affected by the project may be periodic or seasonal in nature;
- (b) Groups that do not live on the lands affected by the project, but who retain ties to those lands through traditional ownership and/or customary usage, including seasonal or cyclical use.;
- (c) Groups that have lost collective attachment to lands and territories affected by the project, occurring within the concerned group members' lifetime, because of forced severance, conflict, involuntary resettlement programs by governments, dispossession from their lands, natural calamities or incorporation into an urban area;
- (d) Groups that reside in mixed settlements in the area affected by the project, such that they only form one part of the broader community; or

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(e) Groups with collective attachment to project-affected ancestral lands located in urban areas.

**GN8.3.** There is no hierarchy to the four characteristics and that all of them need to be present in varying degrees. “Varying degrees” reflects the fact that some characteristics may be less evident for some groups or communities through integration into the broader society or economy, sometimes as a result of government policy. Moreover, given the varying contexts and characteristics of Indigenous Peoples today, a group may possess defining characteristics and thereby be covered by the policy in one region, but may be more fully integrated and lack the defining characteristics in another region of the same country, or in a neighboring country. The collective attachment of groups to their traditional territories, for example, may have been forcibly severed due to government resettlement programs. Some groups may no longer speak their own language, or it may be spoken by only a few community members. The role of traditional institutions may also be eroding or have been replaced by official administrative structures. Subject to the temporal limitation relating to collective attachment referred to in Paragraph 9 of ESS7 and the explanation in GN9.1, these factors alone do not disqualify groups from being covered under ESS7, but are assessed in the final determination made by the Bank.

**GN9.1.** The phrase “during the lifetime of members of the community or group” introduces a temporal limitation on claims to collective attachment. This means that claims regarding loss of collective attachment that exceed that temporal limitation, which are often complex and can be traced back many years before the lifetime of the members of the community, fall outside the scope of Paragraph 9.

10. *Following a determination by the World Bank that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are present in, or have collective attachment to the project area, the Borrower may be required to seek inputs from appropriate specialists to meet the consultation, planning, or other requirements of this ESS. The World Bank may follow national processes during project screening for the identification, in accordance with paragraphs 8 and 9, of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (as they may be referred to in the national context), where these processes meet the requirements of this ESS<sup>8</sup>.*

*Footnote 8. In conducting this screening, the Bank may seek the technical advice of specialists with expertise on the social and cultural groups in the project area. The Bank will also consult the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities concerned and the Borrower. See paragraph 54 in the World Bank Environmental and Social Policy for Investment Project Financing.*

**GN10.1.** The engagement of appropriate specialists to provide technical advice and assistance regarding application of ESS7 is important, for example when there are circumstances or vulnerabilities of IP/SSAHUTLC, or national legislation and general socio-economic data only provide general information rather than specific data regarding the groups that may be present. The specialists should have proven familiarity with social science research methods, extensive knowledge and working experience with the subject of IP/SSAHUTLC in the country or region. Projects affecting IP/SSAHUTLC may also benefit from ongoing input from appropriate specialists, for example, in assisting the Borrower to better understand the characteristics, issues and priorities of the IP/SSAHUTLC, their governance structures and decision making processes.

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**Requirements**

**A. General**

11. A key purpose of this ESS is to ensure that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities present in, or with collective attachment to, the project area are fully consulted about, and have opportunities to actively participate in, project design and the determination of project implementation arrangements. The scope and scale of consultation, as well as subsequent project planning and documentation processes, will be proportionate to the scope and scale of potential project risks and impacts as they may affect Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.

12. A key purpose of this ESS is to ensure that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities present in, or with collective attachment to, the project area are fully consulted about, and have opportunities to actively participate in, project design and the determination of project implementation arrangements. The scope and scale of consultation, as well as subsequent project planning and documentation processes, will be proportionate to the scope and scale of potential project risks and impacts as they may affect Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.

**GN11.1.** Targeted social assessment for the purposes of ESS7, as set out in Appendix A of this Guidance Note, is conducted when IP/SSAHUTLC are present in, or have collective attachment to, the project area. A key aspect of the assessment is understanding the relative vulnerabilities of the affected IP/SSAHUTLC and how the project may affect them. The assessment is proportionate to the nature and scale of the proposed project's potential risks and impacts on, as well as the vulnerability of, the IP/SSAHUTLC. Input from qualified specialists and accompanying meaningful consultations with IP/SSAHUTLC are important to inform and support the assessment. The assessment also evaluates the capacity of the Borrower to involve IP/SSAHUTLC in project design and implementation. Consultations continue throughout project design and implementation.

**GN12.1.** In certain circumstances, project benefits, such as enhancing access to roads, healthcare, and education, can have unintended adverse impacts on IP/SSAHUTLC due to their particular circumstances or vulnerabilities. These impacts may include loss of language and cultural norms, undermining of traditional governance structures, creation of internal conflict, increased pressures and encroachment on lands, and pressures on or contamination of natural resources. The assessment identifies the potential for, and scale of, such adverse impacts.

**GN12.2.** IP/SSAHUTLC may be heterogeneous and may comprise multiple groups and different social units within these groups (such as individuals, clans, communities, and ethnic groups). Projects may be implemented at national, regional or local levels, and issues of cultural identity, geographic access, language, governance structures, cohesion and priorities may differ greatly between groups. Projects also may have different impacts on different subgroups within a community. For example, land for a project may be acquired from one clan, but such acquisition could impact other clans' traditional access to and use of such land and the resources located on it. The social assessment for the purposes of ESS7

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forms the basis for identifying the different groups and understanding the nature and significance of potential impacts on each of them.

13. *The Borrower's proposed measures and actions will be developed in consultation with the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities and contained in a time-bound plan, such as an Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities plan. The scope and scale of the plan will be proportionate to the potential risks and impacts of the project. The format and title of the plan will be adjusted as appropriate to the project or country context, and will reflect any alternative terminology for the Indigenous Peoples, as referred to in paragraph 6.*

**GN13.1.** In consultation with IP/SSAHUTLC, an IP/SSAHUTLC Plan is prepared that sets out culturally appropriate mitigation measures and benefits, and specifies the timing for completion of actions required. See Appendix A of this Guidance Note for recommended contents of an IP/SSAHUTLC Plan.

**Projects Designed Solely to Benefit Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

14. *Where projects are designed to provide benefits only to Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, the Borrower will proactively engage with the relevant Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities to ensure their ownership and participation in project design, implementation, monitoring and evaluation. The Borrower will also consult with them as to the cultural appropriateness of proposed services or facilities, and will seek to identify and address any economic or social constraints (including those relating to gender) that may limit opportunities to benefit from, or participate in, the project.*

15. *When Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are the sole, or the overwhelming majority of, project beneficiaries, the elements of the plan may be included in the overall project design, and preparation of a stand-alone Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities plan is not necessary.*

**GN15.1.** The projects in Paragraphs 14-15 are specifically designed to benefit only IP/SSAHUTLC and may include health and education projects or community-driven development projects that are focused solely on IP/SSAHUTLC. In such cases, the Borrower may either prepare a stand-alone IP/SSAHUTLC Plan or incorporate elements of such a plan, including cultural appropriateness of proposed services or facilities and arrangements for monitoring and evaluation, into the overall project design and documentation. A stand-alone IP/SSAHUTLC Plan may be prepared instead, if preferred. It is important to apply the requirements of ESS7, including undertaking a targeted social assessment, and to conduct appropriate consultations with affected IP/SSAHUTLC.

**Projects Where Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities Are Not the Sole Beneficiaries**

16. *When Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are not the only beneficiaries of the project, planning requirements will vary with circumstances. The Borrower will design and implement the project in a manner that provides affected Indigenous Peoples/Sub-Saharan*

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*African Historically Underserved Traditional Local Communities with equitable access to project benefits. The concerns or preferences of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will be addressed through meaningful consultation and project design, and documentation will summarize the consultation results and describe how Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' issues have been addressed in project design. Arrangements for ongoing consultations during implementation and monitoring will also be described.*

17. *The Borrower will prepare a time-bound plan, such as an Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities plan setting out the measures or actions proposed. In some circumstances, a broader integrated community development plan<sup>10</sup> will be prepared, addressing all beneficiaries of the project and incorporating necessary information relating to the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.*

*Footnote 10. An Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities and other communities development plan may be appropriate in circumstances where other people, in addition to the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, will be affected by the risks and impacts of the project; where more than one Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities group is to be included; or where the regional or national scope of a programmatic project incorporates other population groups. In certain circumstances, a planning framework will be appropriate.*

**GN17.1** .In some projects, affected groups of IP/SSAHUTLC may exist in the same area as other affected communities or they may be integrated within a larger affected population. In such cases, a stand-alone IP/SSAHUTLC Plan can be prepared, or all elements of this plan can be included as part of a broader integrated community development plan. Issues related to IP/SSAHUTLC Care addressed in project design to provide equitable access to project benefits in a culturally appropriate manner.

**GN17.2** Footnote 10 of ESS7 refers to an IP/SSAHUTLC Planning Framework. The use of the framework approach is appropriate where the design or location of the project can not be known during project preparation, or when a project has multiple subprojects that will only be designed during project implementation. The framework specifies the timing for completion of any specific plans, and includes a clear statement of roles and responsibilities, budget, and commitment for funding. See Appendix A of this Guidance Note for recommended contents of an IP/SSAHUTLC Planning Framework.

**Avoidance of Adverse Impacts**

18. *Adverse impacts on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will be avoided where possible. Where alternatives have been explored and adverse impacts are unavoidable, the Borrower will minimize and/or compensate for these impacts in a culturally appropriate manner proportionate to the nature and scale of such impacts and the form and degree of vulnerability of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.*

19. *When situations arise in which projects potentially affect remote groups with limited external contact, also known as peoples "in voluntary isolation," "isolated peoples" or "in initial contact," the Borrower will take appropriate measures to recognize, respect and protect their land and territories, environment, health and culture, as well as measures to avoid all undesired contact with them as a consequence of the project. The aspects of the project that would result in such undesired contact will not be processed further.*

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**GN19.1.** Undesired contact with IP/SSAHUTLC in voluntary isolation may lead to significant adverse social, economic or cultural impacts on them. It could also lead to conflict and pose significant health risks to such communities as many may not have developed immunity to viruses and diseases common among mainstream populations. It may also create a potential for conflict. When the Bank's screening or the Borrower's environmental and social assessment identifies the existence of IP/SSAHUTLC in voluntary isolation or with limited or no previous contact with other parts of society in the project area, it is important to include in the IP/SSAHUTLC Plan appropriate protocols to avoid undesired contact, and measures to mitigate potential adverse impacts resulting from any unintended contact.

**Mitigation and Development Benefits**

20. *The Borrower and affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will identify mitigation measures in alignment with the mitigation hierarchy described in ESS1 as well as opportunities for culturally appropriate and sustainable development benefits. The scope of assessment and mitigation will include cultural impacts<sup>11</sup> as well as physical impacts. The Borrower will ensure the timely delivery of agreed measures to affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.*

*Footnote 11. Considerations relating to cultural impacts may include, for example, the language of instruction and curriculum content in education projects, or culturally sensitive or gender-sensitive procedures in projects such as health projects, and others.*

21. *The determination, delivery, and distribution of compensation and shared benefits to affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will take account of the institutions, rules and customs of these Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities as well as their level of interaction with mainstream society. Eligibility for compensation can either be individually or collectively-based, or be a combination of both.<sup>12</sup> Where compensation occurs on a collective basis, as far as practicable mechanisms that promote the effective distribution of compensation to all eligible members, or collective use of compensation in a manner that benefits all members of the group, will be defined and implemented.*

*Footnote 12. Where control of resources, assets and decision making are predominantly collective in nature, efforts will be made to ensure that, where possible, benefits and compensation are collective, and take account of intergenerational differences and needs.*

**GN21.1.** The findings of the targeted social assessment help determine the eligibility and the appropriate structure and mechanisms for the delivery and management of compensation and shared benefits. Opportunities for benefit-sharing are considered as distinct from compensation for adverse impacts, and address the longer-term sustainable development of the affected communities.

22. *Various factors including, but not limited to, the nature of the project, the project context and the vulnerability of affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will determine how affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will benefit from the project. Identified opportunities will aim to address the goals and preferences of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, including improving their standard of living and livelihoods in a culturally appropriate manner, and to foster the long-term sustainability of the natural resources on which they depend.*

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**GN22.1.** While ESS7 applies irrespective of the presence or absence of discernible economic, political, or social vulnerabilities, the nature and extent of vulnerability is a key variable in designing plans to promote access to benefits or measures to mitigate adverse impacts on IP/SSAHUTLC. It is important to include factors such as IP/SSAHUTLC' economic, social, and legal status; their institutions, customs, culture, and/or language; their dependence on natural resources; and their past and ongoing relationship to other groups in the area, in an analysis of vulnerability. Consultations with IP/SSAHUTLC can support this analysis and help in identifying their preferences regarding both project benefits and mitigation measures. Consultations are carried out with IP/SSAHUTLC, and their preferences are taken into account while designing measures intended to help benefit them.

**Meaningful Consultation Tailored to Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

**23.** *To promote effective project design, to build local project support or ownership, and to reduce the risk of project-related delays or controversies, the Borrower will undertake an engagement process with affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, as required in ESS10. This engagement process will include stakeholder analysis and engagement planning, disclosure of information, and meaningful consultation, in a culturally appropriate and gender and inter-generationally inclusive manner. For Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, the process of meaningful consultation will also:*

- (a) Involve Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' representative bodies and organizations<sup>13</sup> (e.g., councils of elders or village councils, or chieftains) and, where appropriate, other community members;*
- (b) Provide sufficient time for Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' decision-making processes;<sup>14</sup> and*
- (c) Allow for Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' effective participation in the design of project activities or mitigation measures that could potentially affect them either positively or negatively.*

*Footnote 13. For projects that have a regional or national scope, the meaningful consultation may be carried out with Indigenous organizations or representatives at the relevant national or regional levels. These organizations or representatives will be identified in the stakeholder engagement process described in ESS10.*

*Footnote 14. Internal decision making processes are generally but not always collective in nature. There may be internal dissent, and decisions may be challenged by some in the community. The consultation process should be sensitive to such dynamics and allow sufficient time for internal decision making processes to reach conclusions that are considered legitimate by the majority of the concerned participants.*

**GN23.1.** In addition to the elements of the engagement process with IP/SSAHUTLC set out in Paragraph 23 of ESS7, ESS10 provides further details on meaningful consultations. Paragraph 22 of ESS10 states that meaningful consultation is a two-way process, that:

- (a) Begins early in the project planning process to gather initial views on the project proposal and inform project design;

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- (b) Encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social impacts and risks;
- (c) Continues on an ongoing basis;
- (d) Is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders in a culturally appropriate format, in relevant local language(s) and understandable to stakeholders;
- (d) Considers and responds to feedback;
- (e) Supports active and inclusive engagement with project-affected parties;
- (f) Is free of external manipulation, interference, coercion, discrimination, and intimidation; and
- (g) Is documented and disclosed by the Borrower.

**GN23.2.** Approaches to meaningful consultation are most effective when they build on existing customary institutions and decision-making processes utilized by the affected IP/SSAHUTLC. The capacity of the existing institutions and decision-making processes to address any new issues that may arise due to the project are analyzed as part of the targeted social assessment and in consultation with the IP/SSAHUTLC. Based on this analysis, additional measures to improve capacity can be put into place as necessary.

**GN23.3.** There may be divergent views and opinions within IP/SSAHUTLC. A meaningful consultation takes into account these different viewpoints and opinions while respecting traditional cultural approaches to consultations and decision-making.

**B. Circumstances Requiring Free, Prior and Informed Consent (FPIC)**

23. *Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities may be particularly vulnerable to the loss of, alienation from or exploitation of their land and access to natural and cultural resources. In recognition of this vulnerability, in addition to the General Requirements of this ESS (Section A) and those set out in ESSs 1 and 10, the Borrower will obtain the FPIC of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities in accordance with paragraphs 25 and 26 in circumstances in which the project will:*

- (a) have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation;*
- (b) cause relocation of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities from land and natural resources subject to traditional ownership or under customary use or occupation; or*

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*(c) have significant impacts on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' lives.*

*In these circumstances, the Borrower will engage independent specialists to assist in the identification of the project risks and impacts.*

**GN24.1.** The specialists referred to in Paragraph 24 of ESS7 should have significant experience in issues of concern to IP/SSAHUTLC.

**GN24.2.** In some projects, FPIC may only be required in relation to specific portions of land or aspects of a project. Examples include: (a) linear projects that pass through multiple human habitats may require FPIC to the component that traverses IP/SSAHUTLC lands; (b) projects comprising multiple sub-projects, some of which are located on IP/SSAHUTLC lands, may require FPIC for the sub-projects located on those lands; and (c) projects involving an expansion of ongoing activities may require FPIC on the new project activities.

25. *There is no universally accepted definition of FPIC. For the purposes of this ESS, FPIC is established as follows:*

*(a) The scope of FPIC applies to project design, implementation arrangements and expected outcomes related to risks and impacts on the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities;*

*(b) FPIC builds on and expands the process of meaningful consultation described in ESS10 and paragraph 23 above, and will be established through good faith negotiation between the Borrower and affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities;*

*(c) The Borrower will document: (i) the mutually accepted process to carry out good faith negotiations that has been agreed by the Borrower and Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities; and (ii) the outcome of the good faith negotiations between the Borrower and Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, including all agreements reached as well as dissenting views; and*

*(d) FPIC does not require unanimity and may be achieved even when individuals or groups within or among affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities explicitly disagree.*

**GN25.1.** Identification of appropriate representation of IP/SSAHUTLC is an important part of the process to establish FPIC. These are the individuals who are considered by the majority of the affected IP/SSAHUTLC to be the legitimate authorities to make decisions on collective support on their behalf. The representatives may be chosen through a process that is culturally appropriate to the respective IP/SSAHUTLC, such as through referendum or an assembly format, or they may be tribal chiefs or a council of elders, among others.

**GN25.2.** Particular attention should be given to groups within affected IP/SSAHUTLC who may be vulnerable, such as women, youth, the poor and persons with disabilities. Addressing any limitations on

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their participation in the FPIC process helps to ensure that their interests and concerns are adequately considered and addressed as part of the process to establish FPIC.

**GN25.3.** Good faith negotiation involves, on the part of all parties:

- (a) Willingness to engage in a process and availability to meet at reasonable times and frequency;
- (b) Sharing of information necessary for informed negotiation;
- (c) Use of mutually acceptable procedures for negotiation;
- (d) Willingness to change initial positions and modify offers where possible; and
- (e) Provision of sufficient time for the process.

**GN25.4.** The Borrower informs the Bank of the process that has been agreed upon for good faith negotiation on FPIC. Where there is disagreement on what constitutes an appropriate engagement process, or an agreement cannot be reached, the Borrower will seek advice from an independent specialist as required in Paragraph 24 of ESS7.

**GN25.5.** Achieving FPIC requires paying attention to, and documenting, both process and outcome. Documenting the process and outcome establishes a record of agreements reached as well as dissenting views.

**GN25.6.** FPIC may be achieved even when individuals or groups within or among IP/SSAHUTLC explicitly disagree. Such disagreement does not constitute a veto.

26. *For the purposes of this ESS, consent refers to the collective support of affected Indigenous Peoples communities/Sub-Saharan African Historically Underserved Traditional Local Communities for the project activities that affect them, reached through a culturally appropriate process. It may exist even if some individuals or groups object to such project activities, as recognized by paragraph 25 (d).*

27. *When the FPIC of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities cannot be ascertained by the Bank, the aspects of the project relevant to those affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities for which the FPIC cannot be ascertained will not be processed further. Where the Bank has made the decision to continue processing the project other than the aspects for which the FPIC of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities cannot be ascertained, the Borrower will ensure that no adverse impacts result on such Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities during the implementation of the project.*

**GN27.1** If FPIC cannot be ascertained by the Bank, the project design will be adjusted to eliminate the aspects of the project relevant to the affected IP/SSAHUTLC. For example, if affected communities of IP/SSAHUTLC do not provide their FPIC to the proposed construction of a new road through their land,

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the project may, depending on circumstances, consider rerouting the road to avoid acquisition of the land or physical displacement of the communities. In such cases, measures included in the IP/SSAHUTLC Plan help avoid any adverse impacts on the communities.

28. *Agreements reached between the Borrower and affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will be described, and actions necessary to accomplish agreements will be included, in the ESCP. During implementation, the Borrower will ensure that necessary actions are taken, and agreed benefits or improvements to services are delivered, so as to maintain Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' support for the project.*

**Impacts on Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use or Occupation**

29. *Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are often closely tied to their land and related natural resources.<sup>15</sup> Frequently, land is traditionally owned or under customary use or occupation. While Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities may not possess legal title to land as defined by national law, their use of the land, including seasonal or cyclical use, for their livelihoods, or for cultural, ceremonial, and spiritual purposes that define their identity and community, can often be substantiated and documented. Where projects involve (a) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities have traditionally owned or customarily used or occupied,<sup>16</sup> or (b) the acquisition of such lands, the Borrower will prepare a plan for the legal recognition of such ownership, occupation, or usage, with due respect to the customs, traditions and land tenure systems of the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities concerned. The objective of such plans will be the following: (a) full legal recognition of existing customary land tenure systems of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities; or (b) conversion of customary usage rights to communal and/or individual ownership rights.<sup>17</sup> If neither option is possible under national law, the plan includes measures for the legal recognition of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' perpetual or long-term renewable custodial or use rights.*

*Footnote 15. Examples include marine and aquatic resources, timber and non-timber forest products, medicinal plants, hunting and gathering grounds, and grazing and cropping areas.*

*Footnote 16. For example, extractive industries, creation of conservation areas, agro-development schemes, greenfield infrastructure development, land management or titling programs.*

*Footnote 17. Conversion of customary usage rights to individual ownership rights will only be an objective following consultation with the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities concerned and assessment of the impacts of such conversion on the communities and their livelihoods.*

30. *If the Borrower proposes to locate a project, or commercially develop natural resources, on land traditionally owned by, or under the customary use or occupation of, Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and adverse impacts<sup>18</sup> can be expected, the Borrower will take the following steps and obtain their FPIC:*

- (a) Document efforts to avoid and otherwise minimize the area of land proposed for the project;*
- (b) Document efforts to avoid and otherwise minimize impacts on natural resources subject to traditional ownership or customary use or occupation;*
- (c) Identify and review all property interests, tenurial arrangements, and traditional resource*

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- usage prior to purchasing, leasing or, as a last resort, undertaking land acquisition;
- (d) Assess and document Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' resource use without prejudicing any Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' land claim. The assessment of land and natural resource use will be gender inclusive and specifically consider women's role in the management and use of these resources;
  - (e) Ensure that affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities are informed of: (i) their land rights under national law, including any national law recognizing customary use rights; (ii) the scope and nature of the project; and (iii) the potential impacts of the project; and
  - (f) Where a project promotes commercial development of their land or natural resources, afford due process, and offer compensation together with culturally appropriate sustainable development opportunities to Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, at least equivalent to that to which any landowner with full legal title to the land would be entitled, including:
    - (i) Providing fair lease arrangements or, where land acquisition is necessary, providing land-based compensation or compensation in kind in lieu of cash compensation where feasible;<sup>19</sup>
    - (ii) Ensuring continued access to natural resources, identifying the equivalent replacement resources, or, as a last option, providing compensation and identifying alternative livelihoods if project development results in the loss of access to and the loss of natural resources independent of project land acquisition;
    - (iii) Enabling Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities to share equitably in the benefits to be derived from the commercial development of the land or natural resources where the Borrower intends to utilize land or natural resources that are central to the identity and livelihood of affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities and the usage thereof exacerbates livelihood risk; and
    - (iv) Providing affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities with access, usage, and transit on land the Borrower is developing subject to overriding health, safety, and security considerations.

Footnote 18. Such adverse impacts may include impacts from loss of access to assets or resources or restrictions on land use resulting from project activities.

Footnote 19. If circumstances prevent the Borrower from offering suitable replacement land, the Borrower must provide verification that such is the case. Under such circumstances, the Borrower will provide non-land-based income-earning opportunities over and above cash compensation to affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.

**Relocation of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities from Lands and Natural Resources Subject to Traditional Ownership or Under Customary Use or Occupation**

31. The Borrower will consider feasible alternative project designs to avoid the relocation of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities from communally held<sup>20</sup> or attached land and natural resources subject to traditional ownership or customary use or occupation. If such relocation is unavoidable the Borrower will not proceed with the project unless FPIC has been obtained as described above; the Borrower will not resort to forced eviction,<sup>21</sup> and any relocation of Indigenous Peoples/Sub-

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*Saharan African Historically Underserved Traditional Local Communities will meet the requirements of ESS5. Where feasible, the relocated Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities will be able to return to their traditional or customary land, should the cause of their relocation cease to exist.*

*Footnote 20. Typically, Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities claim rights and access to, and use of land and resources through traditional or customary systems, many of which entail communal property rights. These traditional claims to land and resources may not be recognized under national laws. Where Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities individually hold legal title, or where the relevant national law recognizes customary rights for individuals, the requirements of ESS5 will apply, in addition to the requirements under paragraph 31 of this ESS.*

*Footnote 21. See paragraph 31 of ESS5.*

**GN31.1.** Physical relocation of IP/SSAHUTLC is particularly complex and may have significant and irreversible adverse impacts on their cultural survival. Therefore, feasible alternative project designs that avoid such relocation, which may result from the project's acquisition of land, or through restrictions or alterations on land use or resources are explored. Relocation may be considered only once it has been established that there is no feasible alternative and the FPIC of the affected IP/SSAHUTLC has been obtained.

**GN31.2.** Upon conclusion of the FPIC process providing for the relocation of IP/SSAHUTLC, a plan is prepared in line with the conclusion of the FPIC process and in accordance with ESS5. The plans to be developed under ESS5 and ESS7 may be prepared separately, or combined as appropriate.

**GN31.3.** It is important to note that in some cases where individuals among the affected IP/SSAHUTLC hold legal title to land individually, their decision to relinquish the title and relocate may still be subject to a community-based decision-making process.

**Cultural Heritage**

*32. Where a project may significantly impact cultural heritage<sup>22</sup> that is material to the identity and/ or cultural, ceremonial, or spiritual aspects of the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' lives, priority will be given to the avoidance of such impacts. Where significant project impacts are unavoidable, the Borrower will obtain the FPIC of affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.*

*Footnote 22. 'Cultural heritage' is defined in ESS8. It includes natural areas with cultural and/or spiritual value such as sacred groves, sacred bodies of water and waterways, sacred mountains, sacred trees, sacred rocks, burial grounds and sites.*

**GN32.1.** "Cultural heritage" is both tangible and intangible. Tangible cultural heritage includes movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have cultural significance. Intangible cultural heritage includes practices, representations, expressions, knowledge and skills, as well as the instruments, objects, artifacts and cultural spaces associated with that communities and groups recognize as part of their cultural heritage. Further explanation and requirements on cultural heritage are set out in ESS8.

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**GN32.2.** The targeted social assessment determines whether there are any potential significant impacts on the cultural heritage of IP/SSAHUTLC, and whether the cultural heritage is material to the identity and/or cultural, ceremonial, or spiritual aspects of their lives.

33. *Where a project proposes to use the cultural heritage of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities for commercial purposes, the Borrower will inform the affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities of: (a) their rights under national law; (b) the scope and nature of the proposed commercial development; and (c) the potential consequences of such development; and obtain their FPIC. The Borrower will also enable Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities to share equitably in the benefits to be derived from commercial development of such cultural heritage, consistent with the customs and traditions of the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.*

**GN33.1.** Commercial use of cultural heritage refers to the development, renovation, production, use, replication, or exhibition of cultural resources for profit-making purposes. Examples of commercial use of tangible cultural heritage may include the production and sale of artifacts and artworks, or tourism projects that bring visitors to historical temples. Examples of commercial use of intangible cultural heritage may include use of traditional medicinal knowledge or of other sacred or traditional techniques for processing plants, fibers, or metals or other traditional forms of production. The IP/SSAHUTLC are informed about the scope and nature of the proposal to use the cultural heritage, including the entities, companies, or persons involved in the commercial activities, as well as the potential beneficiaries or end users, to facilitate their FPIC. The IP/SSAHUTLC are also informed of the potential consequences of the proposed development, including any impacts on livelihoods, any potential environmental and social risks and impacts, and any impacts on the continued use of such resources by the IP/SSAHUTLC.

**GN33.2.** The IP/SSAHUTLC are consulted as to the potential benefits to be derived from the commercial use of their cultural heritage. This may include, for example, development of benefits from the commercial use of their cultural heritage, including benefits in the form of employment, vocational training, and benefits pursuant to community development and similar programs.

**GN33.3.** The use of IP/SSAHUTLC names, photographs, and other items depicting them and the environment in which they live can be sensitive in many situations. It is important to assess local norms and preferences, and consult with the relevant communities before using such items, for example, when naming project sites or specific infrastructure.

**C. Grievance Mechanism**

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34. *The Borrower will ensure that a grievance mechanism is established for the project, as described in ESS10, which is culturally appropriate and accessible to affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, and takes into account the availability of judicial recourse and customary dispute settlement mechanisms among Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.*

**GN34.1.** The grievance mechanism is proportionate to the potential risks and impacts of the project, and should be accessible and inclusive. A well-functioning mechanism receives and facilitates resolution of grievances promptly. Examples of grievances of affected IP/SSAHUTLC include lack of information on the project and its impacts, inadequacy of compensation, failure of the Borrower to communicate or deliver on agreed action plans, or benefits that are considered culturally inappropriate. Detailed information on grievance mechanisms is provided in ESS10.

**GN34.2.** Grievance mechanisms take into account cultural attributes of IP/SSAHUTLC and their traditional mechanisms for raising and resolving issues. Some IP/SSAHUTLC may prefer verbal, as opposed to written methods of expressing grievances. The grievance method is designed to address these, and any other relevant considerations.

**D. Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities and Broader Development Planning**

35. *The Borrower may request Bank technical or financial support, in the context of a specific project or as a separate activity, for preparation of plans, strategies or other activities intended to strengthen consideration and participation of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (as they may be referred to in the national context) in the development process. This may include a variety of initiatives designed, for example, to: (a) strengthen local legislation to establish recognition of customary or traditional land tenure arrangements; (b) address the gender and intergenerational issues that exist among Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities; (c) protect indigenous knowledge including intellectual property rights; (d) strengthen the capacity of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities to participate in development planning or programs; and (e) strengthen the capacity of government agencies providing services to Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities.*

36. *Affected Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities may themselves seek support for various initiatives and these should be taken into consideration by the Borrower and the Bank. They include: (a) support for the development priorities of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities through programs (such as community-driven development programs and locally managed social funds) developed by governments in cooperation with Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities; (b) preparation of participatory profiles of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities to document their culture, demographic structure, gender and intergenerational relations and social organization, institutions, production systems, religious beliefs, and resource use patterns; (c) facilitating partnerships among the government, Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities Organizations, Civil Society Organizations, and the private sector to promote Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities' development programs.*

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**ESS7 Guidance Note Appendix A**

This Appendix describes the aspects of the environmental and social assessment, and the plans and frameworks to promote equitable access to benefits and to mitigate adverse project impacts referred to in Paragraphs 7 and 13 of ESS7. For purposes of this Appendix, these tools are referred to as the “Social Assessment,” the “IP/SSAHUTLC Plan,” and the “IP/SSAHUTLC Planning Framework.” These names may be adjusted as appropriate to the project or country context, reflecting the alternative terminology in use, as specified in Paragraph 6 of ESS7.

**Targeted Social Assessment for the purposes of ESS7**

1. The breadth, depth, and type of analysis of the social assessment is proportionate to the potential risks and impacts of the proposed project on the IP/SSAHUTLC. The social assessment referred to in this Appendix is conducted as part of the environmental and social assessment under ESS1.
2. The social assessment includes the following elements, as needed:
  - a) A review of the legal and institutional framework applicable to IP/SSAHUTLC.
  - b) Gathering of baseline data on the demographic, social, cultural, and political characteristics of the IP/SSAHUTLC, the land and territories that they have traditionally owned or customarily used or occupied, and the natural resources on which they depend.
  - c) Taking the review and baseline data into account, the identification of project-affected parties and the elaboration of a culturally appropriate process for involving and consulting with the IP/SSAHUTLC at each stage of project preparation and implementation (see Paragraph 23 of ESS7).
  - d) An assessment, based on meaningful consultation tailored to IP/SSAHUTLC, of the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is an analysis of the relative vulnerability of, and risks to, the affected IP/SSAHUTLC, given their distinct circumstances and close ties to land and natural resources, as well as their potential lack of access to opportunities relative to other social groups in the communities, regions, or national societies in which they live.
  - e) The identification and evaluation of measures necessary to avoid adverse impacts, or if such measures are not feasible, the identification of measures to minimize, mitigate, or compensate for such impacts, and to ensure that the IP/SSAHUTLC receive culturally appropriate benefits under the project. This is based on meaningful consultation tailored to IP/SSAHUTLC and, where relevant pursuant to Paragraph 24 of ESS7, on Free Prior and Informed Consent (FPIC).

**IP/SSAHUTLC Plan**

1. In most cases, the IP/SSAHUTLC Plan includes the following elements, as needed:
  - a) A summary of the Targeted Social Assessment, including the applicable legal and institutional framework and baseline data.
  - b) A summary of the results of the meaningful consultation tailored to IP/SSAHUTLC, and if the project involves the three circumstances specified in Paragraph 24 of ESS7, then the outcome of the process of FPIC carried out with the affected IP/SSAHUTLC during project preparation.

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- c) A framework for meaningful consultation tailored to IP/SSAHUTLC during project implementation.
- d) Measures for ensuring IP/SSAHUTLC receive social and economic benefits that are culturally appropriate and steps for implementing them. If necessary, this may call for measures to enhance the capacity of the project implementing agencies.
- e) Measures to avoid, minimize, mitigate, or compensate IP/SSAHUTLC for any potential adverse impacts that were identified in the social assessment, and steps for implementing them.
- f) The cost estimates, financing plan, schedule and roles and responsibilities for implementing the IP/SSAHUTLC Plan.
- g) Accessible procedures appropriate to the project to address grievances by the affected IP/SSAHUTLC arising from project implementation, as described in Paragraph 35 of ESS7 and in ESS10.
- h) Mechanisms and benchmarks appropriate to the project for monitoring, evaluating, and reporting on the implementation of the IP/SSAHUTLC Plan.

**IP/SSAHUTLC Planning Framework**

1. The purpose of the IP/SSAHUTLC Planning Framework is to clarify the principles, organizational arrangements, and design criteria to be applied to subprojects or project components to be prepared during project implementation when IP/SSAHUTLC may be present in or have collective attachment to the project area. Following identification of the subproject or individual project components and confirmation that IP/SSAHUTLC are present in or have collective attachment to the project area, a specific plan, proportionate to potential risks and impacts, is prepared. Project activities that may affect IP/SSAHUTLC do not commence until such specific plans are finalized and approved by the Bank.
2. The IP/SSAHUTLC Planning Framework sets out:
  - a) The types of subprojects likely to be proposed for financing under the project.
  - b) The potential positive and adverse impacts of such programs or subprojects on IP/SSAHUTLC.
  - c) A plan for carrying out the social assessment for such programs or subprojects.
  - d) A framework for ensuring the meaningful consultation tailored to IP/SSAHUTLC and in the specified circumstances, a framework for ensuring their Free Prior and Informed Consent (FPIC) during project implementation.
  - e) Institutional arrangements, including capacity building where necessary, for screening project-supported activities, evaluating their effects on IP/SSAHUTLC, preparing IP/SSAHUTLC Plans and addressing any grievances.
  - f) Monitoring and reporting arrangements, including mechanisms and benchmarks appropriate to the project.
  - g) Disclosure arrangements for IP/SSAHUTLC Plans to be prepared as specified in the IP/SSAHUTLC Planning Framework.

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*The Guidance Notes provide guidance for the Borrower on the application of the Environmental and Social Standards (ESSs), which form part of the World Bank’s 2016 Environmental and Social Framework. The Guidance Notes help to explain the requirements of the ESSs; they are not Bank policy, nor are they mandatory. The Guidance Notes do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Guidance Notes and the ESSs, the provisions of the ESSs prevail. Each paragraph of the Standard is highlighted in a box, followed by the corresponding guidance.*

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**Introduction**

1. *ESS 8 recognizes that cultural heritage provides continuity in tangible and intangible forms between the past, present and future. People identify with cultural heritage as a reflection and expression of their constantly evolving values, beliefs, knowledge and traditions. Cultural heritage, in its many manifestations, is important as a source of valuable scientific and historical information, as an economic and social asset for development, and as an integral part of people's cultural identity and practice. ESS 8 sets out measures designed to protect cultural heritage throughout the project life-cycle.*

2. *This ESS sets out general provisions on risks and impacts to cultural heritage from project activities. ESS 7 sets out additional requirements for cultural heritage in the context of Indigenous Peoples. ESS 6 recognizes the social and cultural values of biodiversity. Provisions on Stakeholder Engagement and Information Disclosure are set out in ESS 10.*

**Objectives**

- *To protect cultural heritage from the adverse impacts of project activities and support its preservation.*
- *To address cultural heritage as an integral aspect of sustainable development.*
- *To promote meaningful consultation with stakeholders regarding cultural heritage.*
- *To promote the equitable sharing of benefits from the use of cultural heritage.*

**Scope of Application**

3. *The applicability of this ESS is established during the environmental and social assessment described in ESS1.*

**GN3.1.** It is important to consider the risks and impacts to cultural heritage, at all stages of the project cycle, as part of the environmental and social assessment. Early attention to cultural heritage is particularly important as its presence may need consideration in the design of the project. Consultations with relevant stakeholders, including project-affected parties, and national or sub-national cultural heritage authorities, analysis of national legislation and regulations for managing cultural heritage and review of available heritage inventories, maps, land or coastal surveys are all steps that can help to identify cultural heritage, and to understand the nature and significance of the project's potential environmental and social risks and impacts on that heritage.

4. *The term 'cultural heritage' encompasses tangible and intangible heritage, which may be recognized and valued at a local, regional, national or global level, as follows:*

- *Tangible cultural heritage, which includes movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. Tangible cultural heritage may be located in urban or rural settings, and may be above or below land or under the water;*
- *Intangible cultural heritage, which includes practices, representations, expressions, knowledge, skills - as well as the instruments, objects, artifacts and cultural spaces associated therewith – that communities and groups recognize as part of their cultural heritage, as transmitted from*

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*generation to generation and constantly recreated by them in response to their environment, their interaction with nature and their history.*

**GN4.1.** Cultural heritage may be recognized and valued for many reasons, including:

- (a) social and spiritual value of historic and present connections to existing communities;
- (b) scientific importance as a source of archaeological or historical evidence;
- (c) contextual value inherent in its condition, completeness, rarity, artistic or aesthetic qualities or provenance; and
- (d) economic value as a generator of income from tourism and other commercial activities.

5. *The requirements of this ESS8 will apply to all projects that are likely to have risks or impacts on cultural heritage. This will include a project which:*

- (a) Involves excavations, demolition, movement of earth, flooding or other changes in the physical environment;*
- (b) Is located within a legally protected area or a legally defined buffer zone;*
- (c) Is located in, or in the vicinity of, a recognized cultural heritage site; or*
- (d) Is specifically designed to support the conservation, management and use of cultural heritage.*

**GN5.1.** Besides the more obvious excavations, demolition, or other physical changes that may affect cultural heritage sites and structures, an irrigation project that results in a rise and fall of the water table in an area may damage the foundations of ancient buildings or artifacts, or an energy project to construct transmission lines may disfigure historic or natural landscapes.

**GN5.2.** The environmental and social assessment identifies any nationally or sub-nationally recognized cultural heritage sites and takes into account legal or other requirements for their protection and management.

6. *The requirements of ESS 8 apply to cultural heritage regardless of whether or not it has been legally protected or previously identified or disturbed.*

**GN6.1.** Cultural heritage may have different values for different individuals or groups, regardless of whether it has been legally protected or previously identified or disturbed. Stakeholder engagement is important to identify relevant stakeholders and the values and significance they attach to cultural heritage. For example, a local shrine may be important for traditional religious worship, but may be unknown or not considered significant by national cultural heritage authorities. On the other hand, archaeological evidence, both on and beneath the surface, may be of limited interest to a local community, but significant to specialists for an understanding of past human habitation.

**GN6.2.** While some cultural heritage in a country may have already been identified, and in some cases legally protected, many areas may not have been subject to cultural heritage surveys, and therefore documentation regarding possible cultural heritage may be relatively limited. Consequently, the

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preparation and implementation of projects can result in the discovery of previously unknown tangible and intangible cultural heritage.

**GN6.3.** Impacts on cultural heritage that is recognized by local communities as important need to be considered even if the cultural heritage is not legally recognized or protected. The cultural heritage may be designated, protected or managed by religious, tribal, ethnic or other community authorities, and therefore recognized in accordance with tradition and custom. In some societies, the character, location and use of heritage sites and objects may be secret or known only to authorized persons.

7. *The requirements of ESS 8 apply to intangible cultural heritage only if a physical component of a project will have a material impact on such cultural heritage or if a project intends to use such cultural heritage for commercial purposes.*

**GN7.1.** The environmental and social assessment takes into consideration the significance of intangible cultural heritage likely to be affected and whether and how the project may materially impact this heritage; if impacts are identified, measures and actions to mitigate them are put into place. For example, project activities may require cutting of trees that are used for cultural or religious practices and are considered to be sacred.

**GN7.2.** It is also important to consider risks and impacts on intangible cultural heritage if a project intends to use such heritage for commercial purpose or contains components that seek to exploit and develop knowledge, innovation or practices of local communities that fall into the category of intangible cultural heritage (see Paragraphs 29 and 30 of ESS8 and associated GN below for more information on commercial use of cultural heritage). For example, a tourism project intended to support intangible cultural heritage may at the same time present risks to that heritage.

**Requirements**

**A. General**

8. *The environmental and social assessment, as set out in ESS1, will consider direct, indirect and cumulative project-specific risks and impacts on cultural heritage. Through the environmental and social assessment, the Borrower will determine the potential risks and impacts of the proposed activities of the project on cultural heritage.*

**GN8.1** Direct impacts, such as those caused by construction activities, are often the most readily apparent. They generally result from excavation, dredging, flooding or the vibration caused by heavy machinery. The environmental and social assessment also considers the indirect and cumulative impacts that may occur during implementation or after completion of a project, for example, from changing conditions in a watershed area, or from increased traffic and construction along a new or improved road.

9. *The Borrower will avoid impacts on cultural heritage. When avoidance of impacts is not possible, the Borrower will identify and implement measures to address impacts on cultural heritage in accordance with the mitigation hierarchy.<sup>1</sup> Where appropriate, the Borrower will develop a Cultural Heritage Management Plan.<sup>2</sup>*

*Footnote 1. Mitigation measures include, for example, relocating or modifying the physical footprint of the*

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*project; documentation; strengthening the capacity of national and subnational institutions responsible for managing cultural heritage affected by the project; establishment of a monitoring system to track the progress and efficacy of these activities; establishment of an implementation schedule and required budget for the identified mitigation measures; and cataloguing of finds. Such measures will take into account the provisions in Section D for specific types of cultural heritage.*

*Footnote 2. The Cultural Heritage Management Plan will include an implementation timeline and an estimate of resource needs for each mitigation measure. This may be developed as a stand-alone document or, depending on the nature and the scale of the risks and impacts of the project, as part of the ESCP.*

**GN9.1.** When impacts to cultural heritage cannot be avoided, it is important that the mitigation measures reflect national laws, involve relevant cultural heritage authorities and consider the views of project-affected and other interested parties. For information on stakeholder engagement, see ESS10.

**GN9.2.** It is good practice for mitigation measures to consider the specific characteristics of the cultural heritage being affected and the different values attributed to it by various stakeholders. In line with the mitigation hierarchy, immovable cultural heritage is best protected in place to avoid irreparable damage from removal. If it is not feasible to avoid impacts through a change in project design, other mitigation measures are developed to address the associated risks and impacts.

**GN9.3. (Footnote 2)** Based on the nature and the scale of environmental and social risks and impacts on cultural heritage, a Cultural Heritage Management Plan (CHMP), may need to be prepared, in consultation with relevant stakeholders. The CHMP includes measures for identifying and managing the cultural heritage, together with monitoring arrangements. An indicative outline for a CHMP is set out in Appendix 1 of this Guidance Note.

*10. The Borrower will implement globally recognized practices for field-based study, documentation and protection of cultural heritage in connection with the project, including by contractors and other third parties.*

**GN10.1.** Methods for documenting and protecting cultural heritage typically include field surveys to identify cultural heritage likely to be impacted by the project. Manual survey techniques over small areas may be appropriate while for larger areas, various survey techniques and technologies for carrying out cultural heritage surveys (for example photogrammetry, remote sensing for cross referencing and comparing survey data) may be more appropriate.

*11. A chance finds procedure is a project-specific procedure which will be followed if previously unknown cultural heritage is encountered during project activities. It will be included in all contracts relating to construction of the project, including excavations, demolition, movement of earth, flooding or other changes in the physical environment. The chance finds procedure will set out how chance finds associated with the project will be managed. The procedure will include a requirement to notify relevant authorities of found objects or sites by cultural heritage experts; to fence-off the area of finds or sites to avoid further disturbance; to conduct an assessment of found objects or sites by cultural heritage experts; to identify and implement actions consistent with the requirements of this ESS and national law; and to train project personnel and project workers on chance find procedures.*

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**GN11.1.** A chance find is any unanticipated discovery or recognition of cultural heritage. Most often, chance finds occur during the construction phase of a project. Such finds include, for example, the discovery of a single artifact, an artifact indicating the presence of a buried archaeological site, human remains, fossilized plant or animal remains or animal tracks, or a natural object or soil feature that appears to indicate the presence of archaeological material.

**GN11.2.** A chance finds procedure is included in relevant procurement documents and instructions to contractors. The procedure should cover discovery of artifacts in the soil or underwater. A chance finds procedure is not a substitute for pre-construction surveys and analyses.

**GN11.3.** A chance finds procedure covers the identification, notification, documentation, and management of chance finds in accordance with national laws and, where applicable, internationally accepted practice. Components of a chance finds procedure may include:

- (a) an advance survey and monitoring of ground-disturbing activities, especially in locations with a high likelihood of cultural heritage;
- (b) steps for temporary work stoppages in the event of a potentially significant discovery;
- (c) steps to protect chance finds from the impacts of any further project activities;
- (d) a contractor code of conduct with rules and guidance on how to address chance finds;
- (e) steps for appropriate intervention where chance finds have been discovered;
- (f) a monitoring system for the implementation of the chance finds procedure; and
- (g) arrangements with relevant government authorities.

*12. Where necessary due to the potential risks and impacts of a project, the environmental and social assessment will involve the participation of cultural heritage experts. If the environmental and social assessment determines that the project may, at any time during the project life-cycle, have significant potential risks and impacts on cultural heritage, the Borrower will engage cultural heritage experts to assist in the identification, valuation assessment and protection of cultural heritage.*

**GN12.1.** Different kinds of cultural heritage have their respective areas of relevant expertise. It is important that experts engaged have the appropriate experience and expertise to address the cultural heritage identified in the project.

**B. Stakeholder Consultation and Identification of Cultural Heritage**

*13. The Borrower will identify, in accordance with ESS10, stakeholders that are relevant for the cultural heritage that is known to exist or is likely to be encountered during the project life-cycle. Stakeholders will include, as relevant:*

- (a) project affected parties, including individuals and communities within the country who use or*

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*have used the cultural heritage within living memory; and*  
*(b) other interested parties, which may include national or local regulatory authorities that are entrusted with the protection of cultural heritage and nongovernmental organizations and cultural heritage experts, including national and international cultural heritage organizations.*

**GN13.1.** Consultation with stakeholders may lead to the identification of cultural heritage. For example, consultations with project-affected parties may reveal the presence of unexplored archaeological material. Identification of cultural heritage can also be achieved through consultation with national heritage authorities and cultural heritage experts.

**GN13.2.** Relevant stakeholders are identified and consulted early in project preparation, as this can help to identify cultural heritage, document its presence and significance, assess potential project impacts, and determine appropriate mitigation measures in a timely manner. The variety in types of cultural heritage may call for consultation with different stakeholders, who may have different interests in or attach different significance to the cultural heritage.

*14. The Borrower will carry out meaningful consultations<sup>3</sup> with stakeholders in accordance with ESS10 in order to identify cultural heritage that may be affected by the potential project; consider the significance<sup>4</sup> of the cultural heritage affected by the project; assess the potential risks and impacts; and explore avoidance and mitigation options.*

*Footnote 3. The Borrower will support the inclusion and cooperation of the various stakeholders through a dialogue with the appropriate authorities, including the relevant national or local regulatory authorities entrusted with the protection of cultural heritage, to establish the most effective means for addressing the views and concerns of the stakeholders and involving them in the protection and management of the cultural heritage.*

*Footnote 4. The significance of cultural heritage is considered according to the value systems and interests of project affected parties (including individuals and communities) and other interested parties, who are concerned with the protection and appropriate use of the cultural heritage.*

**GN14.1.** Documentation of consultations on cultural heritage usually includes the following:

- (a) the way in which stakeholders recognize and understand the cultural heritage and the values they attribute to it;
- (b) any issues relating to the need for confidentiality regarding the cultural heritage, for example, location or details of traditional use of the cultural heritage and individuals involved, as appropriate (see also Paragraph 15 below);
- (c) any existing or potential conflicts arising from different views regarding the cultural heritage;
- (d) any views of affected parties and other interested parties regarding ways to address project-related risks and impacts on the cultural heritage, including on proposed mitigation measures.

**GN14.2.** In case of disagreement about the significance of the cultural heritage affected by the project or the approach to its management, it may be helpful to engage third-party experts.

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**Confidentiality**

15. *The Borrower, in consultation with the Bank, project-affected parties (including individuals and communities) and cultural heritage experts, will determine whether disclosure of information regarding cultural heritage would compromise or jeopardize the safety or integrity of the cultural heritage or would endanger sources of information. In such cases, sensitive information may be omitted from public disclosure. If the project-affected parties (including individuals and communities) hold the location, characteristics, or traditional use of the cultural heritage in secret, the Borrower will put in place measures to maintain confidentiality.*

**GN15.1.** In some cases, the disclosure of information relating to cultural heritage may put stakeholders or the cultural heritage itself at risk. It is important to consult with project-affected parties to determine whether information regarding the cultural heritage can be disclosed. Where consultation has determined that it is best not to disclose information regarding the cultural heritage in question, appropriate measures are taken to protect it. Such measures may include withholding maps identifying sensitive areas or omitting information identifying the location or nature of the cultural heritage or the identity of stakeholders from the environmental and social impact assessment documentation.

**GN15.2.** Where only general information is known about the location of cultural heritage that may be impacted by the project, appropriate mitigation measures are developed to protect the cultural heritage as far as possible without knowledge of the precise location. This is best accomplished in consultation with project-affected parties with knowledge of the specific location of the cultural heritage concerned.

**Stakeholders' Access**

16. *Where the Borrower's project site contains cultural heritage or prevents access to previously accessible cultural heritage sites, the Borrower will, based on consultations with users of the site, allow continued access to the cultural site, or will provide an alternative access route, subject to overriding health, safety and security considerations.*

**GN16.1.** Where project activities restrict access routes to cultural heritage, different ways of providing access for traditional users of the cultural aspects of the site are identified, if possible prior to construction. For example, if construction blocks a path to a worship site, a different access route should be considered during environmental and social assessment process.

**GN16.2.** Where access cannot be provided, for example, because the cultural heritage is located on a construction site, consideration is given to allowing access on specified days or during specified times. If this is possible, the details of such access are communicated to the traditional users of the cultural aspects of the site so that they can take advantage of the opportunities for access.

**C. Legally Protected Cultural Heritage Areas**

17. *As part of the environmental and social assessment, the Borrower will determine the presence of all listed legally protected cultural heritage areas affected by the project.<sup>5</sup> If the proposed project will be located within a legally protected area or a legally defined buffer zone, the Borrower will:*

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- (a) Comply with local, national, regional or international cultural heritage regulations<sup>6</sup> and the protected area management plans;
- (b) Consult the protected area sponsors and managers, project-affected parties (including individuals and communities) and other interested parties on the proposed project; and
- (c) Implement additional programs, as appropriate, to promote and enhance the conservation aims of the protected area.

Footnote 5. Examples include world heritage sites and nationally and sub-nationally protected areas.

Footnote 6. The applicability of regional or international cultural heritage regulations to the project will be determined through the environmental and social assessment.

**GN17.1.** It is important to consider national legislation, regulations and practices relating to the identification and management of cultural heritage, and any registers or lists of cultural heritage that is protected, including dedicated World Heritage Sites, in assessing potential project impacts on cultural heritage. In some countries, registers are compiled and maintained at different levels of government, national, sub-national and local, with specific legal and administrative provisions.

#### **D. Provisions for Specific Types of Cultural Heritage**

##### **Archaeological Sites and Material**

18. Archaeological sites comprise any combination of structural remains, artifacts, human or ecological elements and may be located entirely beneath, partially above, or entirely above the land or water surface. Archaeological material may be found anywhere on the earth's surface<sup>7</sup>, singly or scattered over large areas. Such material also includes burial areas<sup>8</sup>, human remains and fossils.

Footnote 7. Most archaeological sites are hidden from view. Only rarely is there no archaeological material in any given area, even if such material is not known to or recognized by local people or recorded by national or international archaeological agencies or organizations.

Footnote 8. The burial areas referred to in Paragraph 18 are those unrelated to current populations living in the project area. For more recent burial places connected directly to project-affected parties, appropriate mitigation measures will be identified pursuant to paragraphs 8 and 9 through consultations with such parties.

**GN18.1.** Archaeological material comprises the physical remains of past human activity, especially human settlement. These remains may be found concentrated in a single area or scattered over the landscape, as well as in caves and rock formations, along riverbeds, coastlines, and underwater, including shipwrecks and flooded habitation sites. An archaeological site may contain artifacts, plant and animal remains, structural remains and soil features. Archaeological material may range in nature from a large or small ancient settlement that is completely or partially buried by surface soils or other sediment, to the short-term remains of a temporary nomad camp or other short-term activity.

**GN18.2.** In some places, burial grounds or cemeteries may not be recognized as cultural heritage. For example, they may be recent or of an indeterminate age, not considered of historical or archaeological value, or unrelated to the current local population. In these circumstances, consultations with the project-affected parties and other stakeholders to determine appropriate mitigation measures in accordance with ESS1.

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19. *Where there is evidence or high probability of past human activity in the area of the project, the Borrower will conduct desk-based research and field surveys to document, map and investigate archaeological remains. The Borrower will document the location and characteristics of archaeological sites and materials discovered during the project life-cycle and provide such documentation to the national or subnational cultural heritage authorities.*

20. *The Borrower will determine, in consultation with cultural heritage experts, whether archaeological material discovered during the project life-cycle requires: (a) documentation only; (b) excavation and documentation; or (c) conservation in place; and will manage the archaeological material accordingly. The Borrower will determine ownership and custodial responsibility for archaeological material in accordance with national and subnational law, and until such time as custody has been transferred, will arrange for identification, conservation, labeling, secure storage and accessibility to enable future study and analysis.*

**GN20.1.** All archaeological evidence should be documented in accordance with national law and GIIP. Where excavation is carried out, this should be conducted by cultural heritage experts, in accordance with national law and GIIP, with the results provided to the appropriate cultural heritage authorities.

**Built Heritage**

21. *Built Heritage refers to single or groups of architectural works in their urban or rural setting as evidence of a particular civilization, a significant development or a historic event. Built Heritage includes groups of buildings, structures and open spaces constituting past or contemporary human settlements that are recognized as cohesive and valuable from an architectural, aesthetic, spiritual or socio-cultural perspective.*

**GN21.1.** The significance attributed to Built Heritage may differ between cultures, and even within the same culture. Built Heritage may be associated with historic events or persons, cultural practices, festivals or historic periods, or as evidence of local and imported building cultures. Built Heritage may be abandoned or occupied and may also be associated with archaeological deposits. Built Heritage in the vicinity of the project can be identified through research and consultation with relevant stakeholders, which may include local and national cultural heritage authorities, cultural heritage experts and project-affected communities.

**GN21.2.** Built Heritage may be publicly or privately owned, managed by individuals, or by religious or secular, governmental or nongovernmental institutions. A review of national urban and rural planning laws and regulations, as well as applicable zoning standards, helps to identify nationally or locally protected Built Heritage as well as informs mitigation measures.

22. *The Borrower will identify appropriate mitigation measures to address the impacts on Built Heritage, which may include (a) documentation; (b) conservation or rehabilitation in situ; (c) relocation and conservation or rehabilitation. During any rehabilitation or restoration of cultural heritage structures, the Borrower will maintain the authenticity of form, construction materials and techniques of the structure(s)<sup>9</sup>*

*Footnote 9. In compliance with applicable national and subnational laws and/or zoning regulations and in accordance with GIIP.*

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**GN22.1.** Mitigation measures take into account the customs, traditions and practices of communities that may be associated with the Built Heritage. Where possible, they utilize local trades, crafts, and materials to support the integrity of Built Heritage.

23. *The Borrower will preserve the physical and visual context of individual or groups of historic structures by considering the appropriateness and effect of project infrastructure proposed for location within the range of sight.*

**Natural Features with Cultural Significance**

24. *Natural features may be imbued with cultural heritage significance. Examples include sacred hills, mountains, landscapes, streams, rivers, waterfalls, caves and rocks; sacred trees or plants, groves and forests; carvings or paintings on exposed rock faces or in caves; and paleontological deposits of early human, animal or fossilized remains.<sup>10</sup> The significance of such heritage may be localized in small community groups or minority populations.*

*Footnote 10. Often the designation of cultural significance is kept secret, known only to a specific local population, and associated with ritual activities or events. The sacred character of such heritage may pose a challenge in determining how to avoid or mitigate damage. Natural cultural sites may contain archaeological material.*

25. *The Borrower will identify, through research and consultation with project-affected parties (including individuals and communities), natural features with cultural heritage significance affected by the project, the people that value such features, and the individuals or groups with authority to represent and negotiate regarding the location, protection and use of the heritage place(s).*

26. *Most natural features with cultural heritage significance are best protected by preservation in situ. If it is not possible to preserve the natural features in their existing location, the transfer of the cultural heritage to another location will be conducted in consultation with project-affected parties, in accordance with GIIP. The agreement that is reached regarding the transfer will respect and enable continuation of the traditional practices associated with the cultural heritage that has been transferred.*

**Movable Cultural Heritage**

27. *Movable cultural heritage includes such objects as: historic or rare books and manuscripts; paintings, drawings, sculptures, statuettes and carvings; modern or historic religious items; historic costumes, jewelry and textiles; fragments of monuments or historic buildings; archaeological material; and natural history collections such as shells, flora, or minerals. Discoveries and access resulting from a project may increase the vulnerability of cultural objects to theft, trafficking or abuse. The Borrower will take measures to guard against theft and illegal trafficking of movable cultural heritage items affected by the project and will notify relevant authorities of any such activity.*

**GN 27.1.** Risks of theft, trafficking and abuse of moveable cultural heritage may increase where workers know the value of artifacts, where third parties engage with workers to acquire artifacts for illicit trade, or in remote areas, where projects can provide a previously unknown focus on the value of cultural artifacts. In such cases, apart from physical security measures, relevant mitigation measures are

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included in contracts, codes of conduct for workers and labor management practices, and clearly communicated to project staff, contractors and direct and contracted workers.

*28. The Borrower, in consultation with relevant cultural heritage authorities, will identify movable cultural heritage objects that may be endangered by the project and make provisions for their protection throughout the project life-cycle. The Borrower will inform religious or secular authorities or other custodians with responsibility for overseeing and protecting the movable cultural heritage objects of the schedule for project activities and alert them regarding the potential vulnerability of such items.*

**GN28.1.** Institutions or individuals responsible for the care of movable cultural heritage should be informed about project activities and the anticipated schedule for such activities, so that they can coordinate with the project as needed. If possible, mitigation measures, including security measures, are communicated to the relevant authorities in advance of project implementation. In certain cases, mitigation measures may include relocating movable cultural objects to museums or other places for safekeeping, in particular during the construction phase of the project when such objects are likely to be most vulnerable.

***E. Commercial Use of Cultural Heritage***

*29. Where a project intends to use cultural heritage of project affected parties (including individuals and communities) for commercial purposes, the Borrower will inform the project affected parties of: (a) their rights under national law; (b) the scope and nature of the commercial development and the potential impacts; and (c) the potential consequences of such development and impacts.*

**GN29.1.** Examples of commercial use of tangible cultural heritage may include tourism projects that bring tourists to visit cultural heritage, such as castles, churches and temples. Commercial use of intangible cultural heritage may include use of traditional medicinal knowledge or other sacred or traditional techniques for processing plants, fibers, or metals.

**GN29.2.** The rights of project-affected parties to manage, use and access cultural heritage, whether individual or collective, are taken into consideration in preparing projects that propose to use cultural heritage for commercial purposes. Where such a project concerns the cultural heritage of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities (IP/SSAHUTLC), the relevant requirements of ESS7 also apply.

**GN29.3.** In this context, it is also important to assess cultural sensibilities regarding the commercial use of traditional or local names or images, including photographs, and other media, art or music.

*30. The Borrower will not proceed with such commercial use unless it: (a) carries out meaningful consultation with stakeholders as described in ESS10; (b) provides for fair and equitable sharing of benefits from commercial use of such cultural heritage, consistent with customs and traditions of the project affected parties; and (c) identifies mitigation measures according to the mitigation hierarchy.*

**GN30.1.** Benefits accruing from commercial use of cultural heritage may include employment, vocational training and aspects of community development.

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**ESS 8 Guidance Note Appendix 1**

This Appendix provides an indicative outline of the elements of the Cultural Heritage Management Plan (CHMP) referred to in ESS8 and this Guidance Note. The CHMP addresses the following, as relevant to the project:

- (a) a review of the legal and institutional framework applicable to cultural heritage;
- (b) roles and responsibilities of the different project and other interested parties, for example, the Borrower, contractors, project-affected parties, and cultural heritage authorities;
- (c) the steps to identify and manage cultural heritage throughout the project life-cycle;
- (d) proposed mitigation measures to be undertaken;
- (e) steps for incorporating relevant requirements relating to cultural heritage into project procurement documents, including chance find procedures;
- (f) implementation schedule and budget; and
- (g) monitoring and reporting requirements.

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*The Guidance Notes provide guidance for the Borrower on the application of the Environmental and Social Standards (ESSs), which form part of the World Bank’s 2016 Environmental and Social Framework. The Guidance Notes help to explain the requirements of the ESSs; they are not Bank policy, nor are they mandatory. The Guidance Notes do not substitute for the need to exercise sound judgment in making project decisions. In case of any inconsistency or conflict between the Guidance Notes and the ESSs, the provisions of the ESSs prevail. Each paragraph of the Standard is highlighted in a box, followed by the corresponding guidance.*

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**Introduction**

1. ESS9 recognizes that strong domestic capital and financial markets and access to finance are important for economic development, growth and poverty reduction. The Bank is committed to supporting sustainable financial sector development and enhancing the role of domestic capital and financial markets.

2. FIs are required to monitor and manage the environmental and social risks and impacts of their portfolio and FI subprojects, and monitor portfolio risk, as appropriate to the nature of intermediated financing. The way in which the FI will manage its portfolio will take various forms, depending on a number of considerations, including the capacity of the FI and the nature and scope of the funding to be provided by the FI.

3. FIs are required to develop and maintain, in the form of an Environmental and Social Management System (ESMS), effective environmental and social systems, procedures and capacity for assessing, managing, and monitoring risks and impacts of subprojects, as well as managing overall portfolio risk in a responsible manner.

**Objectives**

- To set out how the FI will assess and manage environmental and social risks and impacts associated with the subprojects it finances.
- To promote good environmental and social management practices in the subprojects the FI finances.
- To promote good environmental and sound human resources management within the FI.

**Scope of Application**

4. This ESS applies to Financial Intermediaries (FIs) that receive financial support from the Bank. FIs include public and private financial services providers, including national and regional development banks, which channel financial resources to a range of economic activities across industry sectors.<sup>1</sup> Financial intermediation also includes provision of financing or guarantees by FIs to other FIs. For the purposes of this ESS, the term "FI subproject" refers to projects financed by FIs with support from the Bank.<sup>2</sup> Where the project involves on-lending by the FI to another FI, the term "FI subproject" will include the subprojects of each subsequent FI.

Footnote 1. Such FIs use various financial products such as project finance, corporate finance, medium and small enterprise finance, microfinance, housing finance, leasing, and trade finance. This ESS covers all types of financing and financial products provided by FIs that are targeted to productive business activities.

Footnote 2. "FI subprojects" are defined as projects or activities financed by an FI. Where an FI provides financing, or guarantees to other FIs, "FI subprojects" are defined as projects or activities financed by the latter FI with support from the former FI.

**GN4.1.** World Bank IPF support to FIs can take different forms, and may include:

- (a) loans, credits or grants to FIs to be used by them for loans or equity for specific sub-projects, or channeled to other FIs to be used by them for loans or equity for specific sub-projects; and
- (b) Guarantees to FIs to enable them to mobilize debt financing for loans, guarantees, or equity for specific sub-projects; and

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The scope of application of ESS9 depends on the project activities or commitments covered by Bank investment project financing. Technical assistance may be provided to IPF loans, credits and grants.

**GN4.2.** Project structures supporting financial intermediation may include the following types of entities:

- (a) Ministries of Finance;
- (b) central banks;
- (c) state financial institutions that may be a state agency, authority or board not established under corporate law;
- (d) independent financial institutions established under corporate law (including banks, financial companies, whether state or privately owned); or
- (e) funds managed by a fund manager, which may include a formally established fund or funds in the form of a government bank account for a purpose defined by the project (without staff or operating resources). This category does not include funds that are not part of financial intermediation, for example, matching grant schemes.

**GN4.3.** FIs may provide a variety of financial products and services including credit products, which can be funded (loans) or unfunded (guarantees); other financial products such as dealing room products (for example, hedging, swaps) and investment banking products (for example, bond underwriting, arranging of equity issuances); equity investments; or fund management.

**GN4.4.** Projects may involve one or more FIs, different terms may be used to describe the different entities involved in financial intermediation projects. For example, the World Bank may provide investment project financing to a Ministry of Finance (borrowing entity), which delegates the administration of a line of credit to an apex FI (wholesaling entity), which on-lends to participating FIs (retail entities), which lend to small and medium enterprises for projects or activities (FI subproject).

**GN4.5.** An “FI subproject” is the ultimate project or activities supported by the FI. As Footnote 2 states, if an FI provides financial support to another FI (for example, through a loan or guarantee) the FI subproject is the project or activities supported by the participating FI. For example, where the FI provides a loan to a rural finance institution, which then lends (via a sub-loan) to a farmer (sub-borrower) who uses the loan to expand farming operations, the FI subproject is the expanded farming operation.

**GN4.6.** Where a World Bank project includes technical assistance to an FI, the FI follows the requirements set out in ESS1 as relevant and appropriate to the nature and risks of the technical assistance.

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5. *The requirements of this ESS apply to all FIs that receive support from the Bank, either directly from the Bank or the Borrower, or through the Borrower or other FIs, as follows:*

- (a) Where Bank support is provided to the FI to fund clearly-defined FI subprojects the requirements of this ESS will apply to each of the FI subprojects;*
- (b) Where Bank support is provided to the FI for a general purpose,<sup>3</sup> the requirements of this ESS will apply to the entire portfolio of the FI's future subprojects from the date on which the legal agreement becomes effective.*

*Footnote 3. Support for a 'general purpose' means that the support cannot be traced to a specific FI subproject or specific types of financing.*

6. *Where an FI receiving support from the Bank provides financing or guarantees to other FIs, the FI will apply the requirements of this ESS and will cause each subsequent FI to apply the requirements of this ESS, as specified in paragraph 5 of this ESS.*

**GN6.1.** The way in which each FI will apply the requirements of ESS9 will depend on the FI's relationship to the FI subprojects. As noted in GN7.1, the ESMS will be established and maintained by the Responsible FI. Where funding is provided through a number of FIs, the requirements relating to ESS9 are incorporated into each of the contractual agreements between an FI and the subsequent FIs, to which loans, equity, financing or guarantees are provided.

**Requirements**

7. *FIs will put in place and maintain an ESMS to identify, assess, manage, and monitor the environmental and social risks and impacts of FI subprojects on an ongoing basis. The ESMS will be commensurate with the nature and magnitude of environmental and social risks and impacts of FI subprojects, the types of financing, and the overall risk aggregated at the portfolio level.<sup>4</sup> Where the FI can demonstrate that it already has an ESMS in place, it will provide adequate documented evidence of such an ESMS, indicating which elements (if any) will be enhanced or modified to meet the requirements of this ESS.<sup>5</sup>*

*Footnote 4. For the purpose of assessing the adequacy of the ESMS, the FI portfolio means the portfolio of current and/or proposed subprojects to which this ESS applies, as described in paragraph 5.*

*Footnote 5. Where the Bank is providing support to a project involving Financial Intermediaries (FIs), and other multilateral or bilateral funding agencies, including IFC and MIGA, will or have already provided financing to the same FIs, the Bank may agree to rely on the requirements of such other agencies for the assessment and management of environmental and social risks and impacts of the project, including the institutional arrangements already established by the participating FIs, provided that such requirements will enable the project to achieve objectives materially consistent with this ESS and other ESSs, as applicable. Following review by the Bank, an FI may be required to enhance its ESMS, as deemed necessary by the Bank.*

**GN7.1.** The FI that is required to develop and maintain the ESMS is the FI that has direct responsibility for selecting and funding the FI subprojects (the Responsible FI). The Responsible FI develops and maintains the ESMS, so that the environmental and social risks and impacts of the FI subprojects financed or guaranteed by the Responsible FI can be identified, assessed, managed and monitored appropriately.

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**GN7.2.** The ESMS includes processes for screening and categorizing proposed subprojects based on their potential environmental and social risks and impacts, conducting environmental and social assessments and monitoring subproject environmental and social performance. An existing ESMS may need to be strengthened to meet the requirements of ESS9, in which case it is recommended that a time-bound action plan be used by the FI for this purpose.

**GN7.3.** An effective ESMS is commensurate with the highest level of environment and social risk that is anticipated in FI subprojects and/or portfolio. The ESMS is reviewed and enhanced by the responsible FI as needed prior to supporting a new FI subproject with higher levels of environmental and social risks and impacts.

**GN7.4** Where the Borrower on-lends Bank funds, the contractual arrangements between on-lending parties should set out the requirements of ESS9 including establishment of ESMS and the application of ESS2 to the Responsible FI.

8. *The FI's ESMS will include the following elements: (i) environmental and social policy; (ii) clearly defined procedures for the identification, assessment and management of the environmental and social risks and impacts of subprojects; (iii) organizational capacity and competency; (iv) monitoring and review of environmental and social risks of subprojects and the portfolio; and (v) external communications mechanism.*

9. *Where FI subprojects are likely to have minimal or no adverse environmental or social risks or impacts, the FI will apply national law.<sup>6</sup>*

*Footnote6. This will rely on an assessment of the risks of the potential FI subprojects that the FI is proposing to finance, and the capacity of the FI. This may apply to certain retail financial products, such as consumer loans or credit cards.*

10. *The FI will review and adjust, in a manner acceptable to the Bank, its ESMS from time to time, including when the environmental and social risk profile of its portfolio changes significantly.*

**GN10.1.** The ESMS is updated or supplemented by the responsible FI if the environment and social risk profile of the FI's general purpose or subproject portfolio changes significantly. Changes to the ESMS may include updating procedures, conducting staff training on specific issues or adding additional staff with relevant skills. Any significant changes proposed to the ESMS are agreed with the Bank prior to their adoption. A summary of changes to the ESMS can be included in the reports submitted to the Bank, in accordance with Paragraph 23 of ESS9.

11. *The FI will comply with any exclusions in the legal agreement and apply relevant national law for all FI subprojects. In addition, the FI will apply the relevant requirements of the ESSs to any FI subproject that involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage.*

12. *An FI may be required to adopt and implement additional or alternative environmental and social requirements, depending on the nature of the FI, its activities, the sector or countries of operation, and the environmental and social risks and impacts of the potential FI subprojects.<sup>7</sup>*

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Footnote7. These will be incorporated into the ESMS, the environmental and social procedures and/or set out in the legal agreement.

**GN11.1.** Paragraph 11 applies to the Responsible FI, and the requirements of Paragraph 11 are incorporated in the ESMS. Examples of exclusions include the ineligibility of subprojects or general purpose activities that are high risk or have significant adverse environmental or social impacts, or ineligibility of business activities that involve land expropriation, involuntary resettlement or loss or damage to assets.

**GN11.2.** Where Bank support is provided for a general purpose, as set out in Paragraph 5(b) of ESS9, the exclusions in the legal agreement apply to the entire portfolio of the FI. Where the World Bank support is for clearly defined subprojects, the exclusions apply only to those subprojects.

**GN11.3.** When the risks and impacts referred to in Paragraph 11 are identified, the Responsible FI ensures that (i) the ESMS contains procedures to address such risks and impacts, and (ii) the contractual arrangements between the Responsible FI and the FI subprojects provide for application of such procedures.

13. The FI will provide a safe and healthy working environment. Accordingly, relevant aspects of ESS2 will apply to the FI itself. The FI will have in place and maintain appropriate labor management procedures, including procedures relating to working conditions and terms of employment, non-discrimination and equal opportunity, grievance mechanisms and occupational health and safety. The FI will provide adequate documented evidence of such procedures.

**GN13.1.** This requirement applies to the Responsible FI.

**A. Environmental and Social Management System**

**Environmental and Social Policy**

14. The environmental and social policy of the FI will be endorsed by the FI's senior management and will include organizational commitments, objectives, and metrics with regard to the FI's environmental and social risk management. The policy will clearly state applicable requirements for FI subprojects, and will include the following:

- (a) All FI subprojects will be prepared and implemented in accordance with relevant environmental and social national and local laws and regulations;
- (b) All FI subprojects will be screened against exclusions in the legal agreement;<sup>8</sup>
- (c) All FI subprojects will be screened for environmental and social risks and impacts;
- (d) All FI subprojects which involve resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage will apply relevant requirements of ESSs.<sup>9</sup>

Footnote8. These will be set out in the legal agreement between the FI and the entity providing financing to the FI, and will reflect the exclusions in the legal agreement pursuant to which the Bank provides its support.

Footnote9. The relevant requirements of the ESSs will be applied to such projects regardless of how such

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projects are categorized under the FI's own risk categorization system as referred to in paragraph 17.

**GN14.1.** The ESMS contains the elements that allow the FI to manage the environmental and social risk of its operations and the subprojects it supports. These elements include:

- an environmental and social policy;
- procedures for the assessment and monitoring of sub-projects;
- organizational capacity and competency of the FI;
- stakeholder engagement; and
- monitoring and reporting.

Commented [P1]: Budget may be added

**Environmental and Social Procedure**

15. The FI will put in place and maintain clearly defined environmental and social procedures which reflect and implement the FI's Environmental and Social Policy. The procedures will be proportionate to the nature of the FI and the level of potential environmental and social risks and impacts associated with the FI subprojects.<sup>10</sup>

Footnote10. Where the FI already has appropriate environmental and social procedures in place, it will provide adequate documented evidence of such procedures to the Bank and, following review by the Bank, will enhance them, as deemed necessary by the Bank.

16. The FI's environmental and social procedures will include measures to:

- (a) Screen all FI subprojects against any exclusions in the legal agreement;
- (b) Screen, review and categorize the FI subprojects according to their potential environmental and social risks and impacts;
- (c) Require that all FI subprojects are assessed, prepared and implemented to meet national law and, in addition, where an FI subproject involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage, the relevant requirements of the ESSs are applied;<sup>11</sup>
- (d) Ensure that the measures needed to satisfy the requirements of (c) above are set out in the legal agreement between the FI and the sub-borrower;
- (e) Monitor and keep and regularly update environmental and social information on FI subprojects;
- (f) If the risk profile of an FI subproject increases significantly, apply relevant requirements of the ESSs<sup>12</sup> and document these appropriately; and
- (g) Monitor the environmental and social risk of the FI portfolio.

Footnote11. The environmental and social procedures will require such FI subprojects to conduct stakeholder engagement pursuant to ESS10 in a manner proportionate to the risks and impacts of the FI subprojects.

Footnote12. The 'relevant requirements of the ESSs' will relate to the reasons for which the risk profile of the FI subproject has increased.

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**GN16.1.** If the risk profile of an FI subproject increases significantly, and the FI's existing environmental and social procedures are not adequate to address this increased risk, the FI modifies such procedures as necessary.

17. As part of the environmental and social procedures, the FI will develop and adopt a categorization system for subprojects with clearly defined risk categories.<sup>13</sup> The categorization system will take into account (i) the nature and magnitude of environmental and social risks and impacts of subprojects; (ii) sectoral and geographical context; (iii) type of financing. The risk categorization will inform the scope and nature of the FI's environmental and social due diligence and risk management of its subprojects. Such categorization system will allow for a systematic aggregation and analysis of risk at the portfolio level.

Footnote 13. A typical categorization system used by FIs may consist of three or four risk categories, which correspond to high, substantial, moderate, or low risk. Good international practice in some instances suggests that four risk categories allow for more comprehensive assessment and management of environmental and social risk by FIs.

18. As part of its environmental and social risk categorization system, the FIs will categorize any subproject which involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage, as high or substantial risk.

**Organizational Capacity and Competency**

19. The FI will develop and maintain organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. The FI will designate a representative of the FI's senior management to have overall accountability for environmental and social performance of the FI subprojects, including the implementation of this ESS and ESS2 and resources necessary to support such implementation. The representative will: (a) designate a staff member to be responsible for day-to-day implementation of the ESMS, including the environmental and social procedures; (b) ensure that adequate resources are available for management of and training in environmental and social issues; and (c) ensure that adequate technical expertise, either in-house or external expert support, is available to carry out due diligence and manage the environmental and social risks of the FI subprojects, including providing implementation support as required.

20. The FI will ensure that the requirements of this ESS and ESS2 are clearly communicated to all relevant FI personnel,<sup>14</sup> and to ensure that relevant personnel have the necessary knowledge and capabilities<sup>15</sup> for managing environmental and social risks in accordance with the FI's ESMS.

Footnote 14. Such personnel may include investment, legal, and credit officers, security personnel etc.

Footnote 15. Including by providing appropriate training.

**Monitoring and Reporting**

21. The FI will monitor the environmental and social performance of the FI subprojects in a manner proportionate to the risks and impacts of the FI subprojects, and provide regular progress reports to the FI's senior management. This will include periodic review of the effectiveness of the FI's ESMS.

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**GN21.1.** As part of its ESMS, the Responsible FI develops a written procedure detailing how performance monitoring is conducted. This monitoring is proportionate to the environmental and social risks and impacts of the FI subprojects. Monitoring and reporting is conducted on a regular basis.

**GN21.2.** The frequency and method of monitoring of FI subprojects depends upon the risk levels and performance of the FI subprojects. Monitoring outcomes and identified corrective actions should be documented. The Responsible FI works with the FI subproject to ensure corrective actions are implemented.

**GN21.3.** The ESMS is reviewed periodically by the Responsible FI to assess the effectiveness, and determine whether changes are needed. The review of the ESMS is expected to evaluate the FI's implementation of its own environmental and social policies as referenced in Paragraph 14, and how environmental and social procedures have been implemented with respect to FI subprojects

*22. The FI will promptly notify the Bank of any significant accidents or incidents associated with FI subprojects. If the risk profile of an FI subproject increases significantly, the FI will notify the Bank and will apply relevant requirements of the ESSs in a manner agreed with the Bank, as set out in the ESMS. The FI will monitor the measures and actions agreed, and report to the Bank as appropriate.*

**GN22.1.** The notification of any significant accidents or incidents to the World Bank may be provided directly by the Responsible FI to the World Bank or through the Borrower.

*23. The FI will submit to the Bank Annual Environmental and Social Reports on the implementation of its ESMS, including its environmental and social procedures, this ESS and ESS2, as well as the environmental and social performance of its portfolio of FI subprojects. The annual report will include details of how the requirements of this ESS are being met, the nature of the FI subprojects financed through the project, and the overall portfolio risk, profiled by sector.*

**GN23.1.** Depending on the level of risk of a subproject, reporting may be required more frequently than annually.

**B. Stakeholder Engagement**

*24. The FI will require the FI subproject to conduct stakeholder engagement in a manner proportionate to the risks and impacts of the FI subproject, and which reflects the type of FI subprojects it will finance. The relevant provisions of ESS10 will be included in the FI's environmental and social procedures. In certain circumstances, depending on the risks and impacts of the project and the type of FI subprojects it will finance, the Bank may require the FI to be engaged in stakeholder engagement.*

**GN24.1.** ESS10 sets out requirements relating to the disclosure of information to allow stakeholders to understand the potential risks and impacts of FI subprojects. This information is disclosed in the relevant local languages and in a manner, that is accessible and culturally appropriate, and prior to approval of the FI subproject. Further details on stakeholder engagement are set out in ESS10.

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25. *The FI will put in place procedures for external communications on environmental and social matters proportionate to the risks and impacts of the FI subprojects, and the risk profile of the FI's portfolio. The FI will respond to public enquiries and concerns in a timely manner.*

**GN25.1.** Procedures for external communications on environmental and social issues are designed to receive, respond to, and document requests for information or concerns to allow a timely response. This includes making contact information publicly available and easily accessible (for example, a phone number, website, e-mail address). If a concern is deemed not to be relevant, the Responsible FI records the reasons for this determination.

26. *The FI will disclose through the FI's website, if a website exists, and permit, in writing, the Bank to disclose on the Bank's website, a summary of each of the elements of the FI's ESMS.*

27. *The FI will require its sub-borrowers to disclose, in relation to FI subprojects, any project-related documents<sup>16</sup> required (a) by the application of the ESSs; (b) for any FI subprojects categorized as high risk in accordance with the FI's own categorization system; and (c) any environmental and social monitoring reports relating to (a) or (b).*

*Footnote 16. For example, environmental and social assessment reports, resettlement action plans and Indigenous Peoples plans.*

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**Introduction**

1. This ESS recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.

2. Stakeholder engagement is an inclusive process conducted throughout the project life-cycle. Where properly designed and implemented, it supports the development of strong, constructive and responsive relationships that are important for successful management of a project's environmental and social risks. Stakeholder engagement is most effective when initiated at an early stage of the project development process, and is an integral part of early project decisions and the assessment, management and monitoring of the project's environmental and social risks and impacts.

3. This ESS10 must be read in conjunction with ESS1. Requirements regarding engagement with workers are found in ESS2. Special provisions on emergency preparedness and response are covered in ESS2 and ESS4. In the case of projects involving involuntary resettlement, Indigenous Peoples or cultural heritage, the Borrower will also apply the special disclosure and consultation requirements set out in ESS5, ESS7 and ESS8.

**Objectives**

- *To establish a systematic approach to stakeholder engagement that will help Borrowers identify stakeholders and build and maintain a constructive relationship with them, in particular project-affected parties.*
- *To assess the level of stakeholder interest and support for the project and to enable stakeholders' views to be taken into account in project design and environmental and social performance.*
- *To promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life-cycle on issues that could potentially affect them.*
- *To ensure that appropriate project information on environmental and social risks and impacts is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner and format.*
- *To provide project-affected parties with accessible and inclusive means to raise issues and grievances, and allow Borrowers to respond to and manage such grievances.*

**Scope of Application**

4. *ESS10 applies to all projects supported by the Bank through Investment Project Financing. The Borrower will engage with stakeholders as an integral part of the project's environmental and social assessment and project design and implementation, as outlined in ESS1.*

**GN4.1.** Stakeholder engagement is the continuing process by which the Borrower identifies and communicates with the people affected by its decisions and activities, and others with an interest in the implementation and outcomes of its decisions. It takes into account the different access and communication needs of various groups and individuals, especially those more vulnerable or disadvantaged. Engagement begins as early as possible in project preparation, because early

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identification of and consultation with affected and interested parties allows stakeholders' views and concerns to be considered in the design of the project.

**GN4.2.** Meaningful stakeholder engagement throughout the project cycle is an essential aspect of good project management. Stakeholder consultations provide input for the environmental and social assessment of the project, the Environmental and Social Commitment Plan (ESCP), and any project plans that may be prepared. The level and frequency of stakeholder engagement conducted is proportionate to the risks and impacts of the project.

**GN4.3.** The techniques and practices described in this Guidance Note are applied both to the specific requirements of ESS10, as well as any engagement, consultation and disclosure requirements set out in the other ESSs (whether or not such techniques and practices are described in the respective Guidance Notes).

5. *For the purpose of this ESS, "stakeholder" refers to individuals or groups who:*
- (a) are affected or likely to be affected by the project (project-affected parties); and*
  - (b) may have an interest in the project (other interested parties).*

**GN5.1.** The term 'project affected parties' includes those likely to be affected by the project because of actual impacts or potential risks to their physical environment, health, security, well-being or livelihoods. These stakeholders may include individuals or groups, including local communities.

**GN5.2.** The term 'other interested parties' refers to individuals, groups or organizations with an interest in the project, which may be because of the project location, its characteristics, its impacts, or matters related to public interest. For example, these parties may include regulators, government officials, the private sector and civil society organizations.

### **Requirements**

6. *Borrowers will engage with stakeholders throughout the project life-cycle, commencing such engagement as early as possible in the project development process and in a timeframe that enables meaningful consultations with stakeholders on project design. The nature, scope and frequency of stakeholder engagement will be proportionate to the nature and scale of the project and its potential risks and impacts.*

7. *Borrowers will engage in meaningful consultations with all stakeholders. Borrowers will provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.*

8. *The process of stakeholder engagement will involve the following, as set out in further detail in this ESS: (i) stakeholder identification and analysis; (ii) planning how the engagement with stakeholders will take place; (iii) disclosure of information; (iv) consultation with stakeholders; (v) addressing and responding to grievances; and (vi) reporting to stakeholders.*

9. *The Borrower will maintain, and disclose as part of the environmental and social assessment, a documented record of stakeholder engagement, including a description of the stakeholders consulted, a*

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*summary of the feedback received and a brief explanation of how the feedback was taken into account, or the reasons why it was not.*

**GN9.1.** Documentation of stakeholder engagement includes the following, as appropriate:

- (a) date and location of each meeting, with copy of the notification to stakeholders;
- (b) the purpose of the engagement (for example, to inform stakeholders of an intended project or to gather their views on potential environmental and social impacts of an intended project);
- (c) the form of engagement and consultation (for example, face-to-face meetings such as town halls or workshops, focus groups, written consultations, online consultations);
- (d) number of participants and categories of participants;
- (e) summary of main points and concerns raised by stakeholders;
- (f) summary of how stakeholder concerns were responded to and taken into account; and
- (g) issues and activities that require follow up actions, including clarifying how stakeholders are informed of decisions.
- (h) Attendance sheets, Photographs/videos etc of the consultations

**A. Engagement during Project Preparation**

**Stakeholder Identification and Analysis**

10. *The Borrower will identify the different stakeholders, both project-affected parties and other interested parties<sup>1</sup>. As set out in paragraph 5, individuals or groups that are affected or likely to be affected by the project will be identified as 'project-affected parties' and other individuals or groups that may have an interest in the project will be identified as 'other interested parties'.*

*Footnote 1. The stakeholders of a project will vary depending on the details of the projects. They may include local communities, national and local authorities, neighboring projects, and nongovernmental organizations.*

**GN10.1.** The process to identify stakeholders may include the following:

- (a) At the beginning of the environmental and social assessment for the project, the Borrower develops a list of project-affected and other interested parties, paying special attention to identifying disadvantaged and vulnerable groups.
- (b) Second, other interested parties are identified by listing relevant interest groups, and considering historical issues, social relations, relationships between local communities and the project implementer, and any other relevant factors related to the sector and location that help anticipate local and external responses to the project.
- (c) Third, discussions are conducted with representatives of the stakeholders identified and with persons knowledgeable about the local, country and sector contexts and undertake media and social media searches to verify the list and identify any other project-affected or interested parties and to find out how to contact them.

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11. *The Borrower will identify those project-affected parties (individuals or groups) who, because of their particular circumstances, may be disadvantaged or vulnerable.<sup>2</sup> Based on this identification, the Borrower will further identify individuals or groups who may have different concerns and priorities about project impacts, mitigation mechanisms and benefits, and who may require different, or separate, forms of engagement. An adequate level of detail will be included in the stakeholder identification and analysis so as to determine the level of communication that is appropriate for the project.*

*Footnote 2. Disadvantaged or vulnerable refers to those who may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits. Such an individual/group is also more likely to be excluded from/unable to participate fully in the mainstream consultation process and as such may require specific measures and/or assistance to do so. This will take into account considerations relating to age, including the elderly and minors, and including in circumstances where they may be separated from their family, the community or other individuals upon which they depend.*

12. *Depending on the potential significance of environmental and social risks and impacts, the Borrower may be required to retain independent third party specialists to assist in the stakeholder identification and analysis to support a comprehensive analysis and the design of an inclusive engagement process.*

**GN12.1.** Guidance in relation to the nature and role of independent third parties is provided in ESS1, paragraph 25 and its related Guidance Note.

**Stakeholder Engagement Plan**

13. *In consultation with the Bank, the Borrower will develop and implement a Stakeholder Engagement Plan (SEP)<sup>3</sup> proportionate to the nature and scale of the project and its potential risks and impacts.<sup>4</sup> A draft of the SEP will be disclosed as early as possible, and before project appraisal, and the Borrower will seek the views of stakeholders on the SEP, including on the identification of stakeholders and the proposals for future engagement. If significant changes are made to the SEP, the Borrower will disclose the updated SEP.*

*Footnote 3. Depending on the nature of the scale of the risks and impacts of the project, the elements of a SEP may be included as part of the ESCP and preparation of a stand-alone SEP may not be necessary.*

*Footnote 4. Where possible, stakeholder engagement will utilize engagement structures within the national system e.g. community meetings, supplemented as needed with project-specific arrangements.*

14. *The SEP will describe the timing and methods of engagement with stakeholders throughout the life-cycle of the project as agreed between Bank and Borrower, distinguishing between project-affected parties and other interested parties. The SEP will also describe the range and timing of information to be communicated to project-affected parties and other interested parties, as well as the type of information to be sought from them.*

**GN13.1.** The process of preparing the SEP is inclusive, and the draft SEP is designed to accommodate the needs and circumstances of different stakeholders. It identifies the information and types of interaction to be conducted in each phase of the project, and includes any other stakeholder engagement required by the other ESSs.

**GN13.2.** As appropriate for the nature and scale of the project and its potential risks, the SEP will include a description of the project; a list of the stakeholder groups identified; the proposed stakeholder engagement program (including topics stakeholders will be engaged on, how stakeholders will be notified, the methods of engagement, list of information/documents that will be in the public domain,

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languages they will be available in, length of consultation period, and opportunities to comment); indication of resources required for implementing stakeholder engagement activities; summary description of the grievance mechanism; and contact information and process for seeking further information.

**GN13.3.** The draft SEP is made available to stakeholders in formats and through channels that are appropriate for them. As relevant to the project, the draft SEP invites input on aspects such as:(a) whether the list of identified stakeholders is accurate; (b) the proposed methods of notification and engagement (for example, where meetings and workshops may be held and how to communicate with disadvantaged or vulnerable groups); (c) the proposed extent and format of engagement (for example, the type of meetings and duration of the consultation period); and (d) the format and language of information to be provided. Stakeholder feedback on these aspects is reviewed and incorporated in the SEP as appropriate. If significant changes are made to the SEP, a revised SEP is publicly disclosed.

**GN13.4.** The SEP is proportionate to the stakeholder concerns regarding the risks and impacts associated with the project. Where the elements of the SEP are included in the ESCP, it is important to ensure that the specific stakeholder engagement arrangements are communicated in formats suitable and understandable for the identified stakeholders. This may include, for example, a factsheet or brochure that alerts stakeholders to the information to be provided, along with locations of consultation meetings, channels for providing comments, deadlines for comments, contact information, and a summary of the grievance redress mechanism.

**GN13.5.** Because project circumstances and stakeholder concerns can change or new ones may emerge, stakeholder engagement is conducted throughout the project cycle. The SEP may need to be updated during project implementation. This allows improvement to project implementation based on stakeholder feedback, and proactive management of concerns.

15. *The SEP will be designed to take into account the main characteristics and interests of the stakeholders, and the different levels of engagement and consultation that will be appropriate for different stakeholders. The SEP will set out how communication with stakeholders will be handled throughout project preparation and implementation.*

16. *The SEP will describe the measures that will be used to remove obstacles to participation, and how the views of differently affected groups will be captured. Where applicable, the SEP will include differentiated measures to allow the effective participation of those identified as disadvantaged or vulnerable. Dedicated approaches and an increased level of resources may be needed for communication with such differently affected groups so that they can obtain the information they need regarding the issues that will potentially affect them.*

17. *When the stakeholder engagement with local individuals and communities depends substantially on community representatives,<sup>5</sup>the Borrower will make reasonable efforts to verify that such persons do, in fact, represent the views of such individuals and communities, and that they are facilitating the communication process in an appropriate manner.<sup>6</sup>*

*Footnote 5. For example, village heads, clan heads, community and religious leaders, local government representatives, civil society representatives, or teachers.*

*Footnote 6. For example, by conveying, in an accurate and timely manner, information provided by the Borrower*

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*to the communities and the comments and concerns of such communities to the Borrower.*

18. *In certain circumstance,<sup>7</sup> depending on the level of information available about the project, the SEP will take the format of a framework approach, outlining general principles and a collaborative strategy to identify stakeholders and plan for an engagement process in accordance with this ESS that will be implemented once the location is known.*

*Footnote 7. For example, where the exact location of the project is not known.*

**GN18.1.** The use of the SEP framework approach is appropriate where the design and location of the project cannot be known during project preparation, or when a project has multiple subprojects that will only be designed during project implementation. In such cases, the framework sets out the principles to be followed for stakeholder engagement, indicates how people are notified as key information becomes known. The SEP is updated as and when specific details become known, for example the specific locations, stakeholders and schedule of activities.

**Information Disclosure**

19. *The Borrower will disclose project information to allow stakeholders to understand the risks and impacts of the project, and potential opportunities. The Borrower will provide stakeholders with access to the following information, as early as possible before the Bank proceeds to project appraisal, and in a timeframe that enables meaningful consultations with stakeholders on project design:*

- (a) The purpose, nature and scale of the project;*
- (b) The duration of proposed project activities;*
- (c) Potential risks and impacts of the project on local communities, and the proposals for mitigating these, highlighting potential risks and impacts that might disproportionately affect vulnerable and disadvantaged groups and describing the differentiated measures taken to avoid and minimize these;*
- (d) The proposed stakeholder engagement process highlighting the ways in which stakeholders can participate;*
- (e) The time and venue of any proposed public consultation meetings, and the process by which meetings will be notified, summarized, and reported; and*
- (f) (f) The process and means by which grievances can be raised and will be addressed.*

**GN19.1.** Meaningful stakeholder engagement depends on timely, accurate and comprehensible information. Making available project-related information as early as possible in the project cycle and in a manner and language appropriate for each stakeholder group is important. It is good practice to make special efforts to inform disadvantaged and vulnerable groups about the impacts of the project on them, the means of obtaining access to compensation and benefits, and how and when to raise grievances.

**GN19.2.** It is important to remain responsive to requests for information from project-affected parties and other interested parties through the project cycle, and set up appropriate systems to make available project information.

20. *The information will be disclosed in relevant local languages and in a manner that is accessible and culturally appropriate, taking into account any specific needs of groups that may be differentially or disproportionately affected by the project or groups of the population with specific information needs (such as,*

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*disability, literacy, gender, mobility, differences in language or accessibility).*

**Meaningful Consultation**

21. *The Borrower will undertake a process of meaningful consultation in a manner that provides stakeholders with opportunities to express their views on project risks, impacts, and mitigation measures, and allows the Borrower to consider and respond to them. Meaningful consultation will be carried out on an ongoing basis as the nature of issues, impacts and opportunities evolves.*

22. *Meaningful consultation is a two-way process, that:*

- (a) Begins early in the project planning process to gather initial views on the project proposal and inform project design;*
- (b) Encourages stakeholder feedback, particularly as a way of informing project design and engagement by stakeholders in the identification and mitigation of environmental and social risks and impacts;*
- (c) Continues on an ongoing basis, as risks and impacts arise;*
- (d) Is based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information in a timeframe that enables meaningful consultations with stakeholders in a culturally appropriate format, in relevant local language(s) and is understandable to stakeholders;*
- (e) Considers and responds to feedback;*
- (f) Supports active and inclusive engagement with project-affected parties;*
- (g) Is free of external manipulation, interference, coercion, discrimination, and intimidation; and*
- (h) Is documented and disclosed by the Borrower.*

**GN22.1.** The aim of consultations is to inform the Borrower's decisions, where appropriate. Not all stakeholder groups can agree on impacts and mitigation, so the goal of the engagement is not always to achieve consensus, but to hear from stakeholder groups and to take their comments and concerns into account in making project decisions. Security and accessibility are expected to be considered when designing a consultation program, especially in fragile and conflict situations.

**B. Engagement during Project Implementation and External Reporting**

23. *The Borrower will continue to engage with, and provide information to, project-affected parties and other interested parties throughout the life-cycle of the project, in a manner appropriate to the nature of their interests and the potential environmental and social risks and impacts of the project.<sup>8</sup>*

*Footnote 8. Additional information may need to be disclosed at key stages in the project cycle, for example prior to start-up of operations, and on any specific issues that the disclosure and consultation process or grievance mechanism have identified as of concern to stakeholders.*

**GN23.1.** As implementation of a project progresses, new impacts may arise, while other impacts may be eliminated. Borrowers provide regular updates to stakeholders on project performance and changes in scope or schedule.

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24. *The Borrower will continue to conduct stakeholder engagement in accordance with the SEP, and will build upon the channels of communication and engagement already established with stakeholders. In particular, the Borrower will seek feedback from stakeholders on the environmental and social performance of the project, and the implementation of the mitigation measures in the ESCP.*

**GN24.1.** Stakeholder feedback is useful to assess the effectiveness of the measures designed to mitigate environmental and social risks and impacts. Consultations can also be used to assess whether the requirements of the ESCP regarding mitigation measures have been fulfilled and whether additional issues have arisen and how these are addressed.

25. *If there are significant changes to the project that result in additional risks and impacts, particularly where these will impact project-affected parties, the Borrower will provide information on such risks and impacts and consult with project-affected parties as to how these risks and impacts will be mitigated. The Borrower will disclose an updated ESCP, setting out any additional mitigation measures.*

### **C. Grievance Mechanism**

26. *The Borrower will respond to concerns and grievances of project-affected parties related to the environmental and social performance of the project in a timely manner. For this purpose, the Borrower will propose and implement a grievance mechanism<sup>9</sup> to receive and facilitate resolution of such concerns and grievances.*

*Footnote 9. The grievance mechanism to be provided under this ESS may be utilized as the grievance mechanism required under other ESSs (see ESSs 5 and 7). However, the grievance mechanism for project workers required under ESS2 will be provided separately.*

**GN26.1.** A grievance mechanism is a system, process or procedure that receives and acts upon complaints and suggestions for improvement, and facilitates resolution of concerns and grievances arising in connection with a project. An effective grievance mechanism provides project-affected parties redress, and helps address issues at an early stage.

27. *The grievance mechanism will be proportionate to the potential risks and impacts of the project and will be accessible and inclusive. Where feasible and suitable for the project, the grievance mechanism will utilize existing formal or informal grievance mechanisms, supplemented as needed with project-specific arrangements. Further details on grievance mechanisms are set out in Annex 1.*

- (a) The grievance mechanism is expected to address concerns promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all project-affected parties, at no cost and without retribution. The mechanism, process or procedure will not prevent access to judicial or administrative remedies. The Borrower will inform the project-affected parties about the grievance process in the course of its community engagement activities, and will make publicly available a record documenting the responses to all grievances received; and*
- (b) Handling of grievances will be done in a culturally appropriate manner and be discreet, objective, sensitive and responsive to the needs and concerns of the project-affected parties. The mechanism will also allow for anonymous complaints to be raised and addressed.*

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**GN27.1.** A grievance mechanism is designed based on an understanding of the issues that are likely to be the subject of concerns and grievances. The appropriate design and scale of the grievance mechanism is project-specific. The design depends upon factors such as the project context, scale and scope, the number of project beneficiaries, capacity, cultural attitudes toward lodging grievances, available human and financial resources, and technological constraints. Existing formal and/or informal mechanisms may be used, provided they are deemed suitable for the project's purposes and, as needed, can be supplemented with project-specific arrangements. In some instances, it may be cost-effective and sustainable to build on and improve such formal or informal mechanisms for grievance redress, identified as part of the environmental and social assessment under ESS1.

**GN27.2.** An effective grievance mechanism provides specific places and ways whereby grievances would be received and means by which they can be submitted (for example, mail, e-mail, website, telephone, suggestion/complaint boxes); a person, an office, or an institution responsible for processing grievances; and a process for registering and monitoring grievances. Grievance mechanisms for larger or more complex projects may have multiple locations, means and methods to receive, process and monitor grievances, an adequately staffed team, and an appeals process.

**GN27.3.** To make grievance mechanisms accessible to all stakeholders, it is helpful to: make the procedures to submit grievances simple and easy to understand; advertise them publicly; and indicate the expected length of timelines for acknowledgement, response and resolution. The grievance mechanism is free of charge to stakeholders. Accessibility for disadvantaged and vulnerable individuals or groups is important.

**GN27.4.** An effective grievance mechanism is responsive, and the action taken on the grievance or suggestion is informed and balanced. The timeframe for grievance resolution depends on factors such as the urgency of the complaint; need for research, investigation, consultation, and funding; and capacity. The grievance mechanism sets out indicative timeframes for acknowledgement, interim responses, and, where possible, final resolution of grievances. Some grievances may require coordination between multiple departments/agencies, often outside the control of the project, or require detailed investigations. Such grievances may take longer to address and this should be communicated to the parties concerned when acknowledging receipt of the grievances. Supporting documents needed to achieve resolution form part of the files related to the grievance/feedback.

**GN27.5.** A good grievance mechanism requires all grievances to be treated confidentially, impartially, and objectively. In countries where the submission of anonymous grievances is not permitted, it is important to ensure confidentiality; in those cases, the Borrower may consider engaging third party entities to facilitate submission of grievances. Users of a grievance mechanism may not be subject to retaliation, abuse or any kind of discrimination. Allegations of retaliation, abuse or discrimination are expected to be addressed and corrected promptly by the Borrower.

**D. Organizational Capacity and Commitment**

28. *The Borrower will define clear roles, responsibilities and authority as well as designate specific personnel to be responsible for the implementation and monitoring of stakeholder engagement activities and*

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*compliance with this ESS.*

**GN28.1.** The Borrower should designate qualified staff to design, implement and monitor stakeholder engagement activities and, if necessary, consider supplementing the staff with external expert assistance. The number of staff should be proportionate to the nature of the project, and the types and levels of risks and impacts that are anticipated.

**ESS10-ANNEX 1. Grievance Mechanism**

1. *The scope, scale and type of grievance mechanism required will be proportionate to the nature and scale of the potential risks and impacts of the project.*

2. *The grievance mechanism may include the following:*

- (a) Different ways in which users can submit their grievances, which may include submissions in person, by phone, text message, mail, email or via a web site;*
- (b) A log where grievances are registered in writing and maintained as a database;*
- (c) Publicly advertised procedures, setting out the length of time users can expect to wait for acknowledgement, response and resolution of their grievances;*
- (d) Transparency about the grievance procedure, governing structure and decision makers; and*
- (e) An appeals process (including the national judiciary) to which unsatisfied grievances may be referred when resolution of grievance has not been achieved.*

3. *The Borrower may provide mediation as an option where users are not satisfied with the proposed resolution.*