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ACTION PLAN: IMPROVING THE MANAGEMENT OF SAFEGUARDS AND RESETTLEMENT PRACTICES AND OUTCOMES

The World Bank has prepared this action plan with a clear goal: to improve management of safeguards, in particular resettlement practices and outcomes, under a new organizational structure that strengthens the safeguards accountability and management system.

This plan is aligned with the safeguards review process, and is largely based on recommendations from a 2014 Internal Audit Department (IAD) *Advisory Review of the Bank's Environmental and Social Risk Management* and two internal draft working papers, *Involuntary Resettlement Portfolio Review Phase I and II*, which identify significant weaknesses in the World Bank's implementation of its operational policies.

The institution is committed to learn not only from its successes, but also from its failures in order to deliver transformational development impact toward fulfilling its twin goals of ending extreme poverty by 2030 and boosting shared prosperity.

Both the IAD report and the two internal reports found shortcomings in the implementation and oversight of our current safeguards policies in relation to resettlement. In response, this plan proposes actions in nine areas, where the reports found problems. Most importantly, this action plan focuses on improving preparation and implementation of resettlement, given the disruptive impact it can have on the lives of the people affected by World Bank-funded projects.

Here are the steps that have begun or will soon start in the following nine areas:

- **Risk Assessment.** We will better assess safeguards-related risks in our projects and we will assign our most experienced social and environmental specialists to the higher-risk operations.
- **Monitoring of Mitigation Measures.** We have established two new tracking systems to better monitor the implementation of mitigation measures: the Environmental Performance Tracking System and the Tracking Social Performance tool. Managers will have real-time information on the implementation of these measures. We have also created a new mechanism for people to report concerns or complaints to the World Bank if they feel unfairly treated or affected by one of our projects. As of February 1 2015, all World Bank Project Appraisal Documents include the phone number and the email address of this new Bank-wide Grievance Redress Service.
- **Checks and Balances and Accountability Arrangements.** All the World Bank's social specialists are now part of a single group (the Urban, Rural and Social Development Global Practice), and all its environmental staff also located in one practice (the Environment and Natural Resources Global Practice). Our new organization will disseminate faster best safeguards practices and innovations, harmonize practices and assign more experienced staff to risky projects. Teams will also be able to seek guidance from a pool of organization-wide experts, the Environmental and Social Standards Advisory Team, who will also ensure that we have a consistent approach country by country. Safeguards staff have been given a greater independence in our project teams so that they can voice concerns and recommend remedial actions. We will also make sure that career development opportunities are equivalent for safeguards specialists and for technical staff.

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- **Assignment of Technical Expertise.** We will assign properly accredited social and environmental specialists or consultants to all our projects.
- **Skills Development.** A specific panel has been created to oversee the accreditation of environmental and social staff. All relevant World Bank staff will follow a mandatory training both on measures cited in this action plan and, when adopted, on policies in our new Environmental and Social Framework.
- **Funding for Environmental and Social Risk Management.** We are significantly increasing the available budget for safeguards management, a considerable effort in times of expenditure review and budget restrictions for our institution.
- **Institutional Leadership in Environmental and Social Risk Management.** Our portfolio will be periodically scanned at various management levels to identify projects where additional attention and resources may be needed.
- **Resettlement Planning, Management and Supervision.** We have prepared new checklists to make sure resettlements issues are properly handled at different stages of project preparation and implementation. These checklists include new reporting requirements, citizens' consultation, and grievance mechanisms. We will offer dedicated technical support to countries that have significant differences between their national legislation and World Bank policies. We will also make sure that all our projects are given performance ratings annually on implementation of safeguards measures.
- **World Bank Policy Reform.** We are currently engaged in extensive consultations on our next generation of safeguards, the new Environmental and Social Framework. These policies will promote a greater engagement of affected communities, especially vulnerable groups. Our objective is to have the same level of scrutiny and attention all along the life cycle of our projects and in particular during the implementation phase. The new framework will also require more robust grievance mechanisms and a better monitoring of risks, which will inform the way we allocate our resources to better supervise our projects.

Taken together, these actions involving nine critical aspects of our resettlement policy will significantly improve the protection of people and businesses that may be resettled as a result of a World Bank-funded development project. The World Bank undertook internal reviews of its resettlement policy and implementation for the sole purpose of improving our oversight of projects that result in resettlements.

In the years ahead, we will continue to review and monitor the implementation of the steps outlined in this action plan to ensure they are working as intended. We will periodically disclose progress reports.

ANNEX: Action Plan to Improve the Management of Safeguards and Resettlement Practices and Outcomes

AREAS FOR IMPROVEMENT	ACTIONS
<p>Risk Assessment</p> <ul style="list-style-type: none"> • Although mandatory, projects were often not rated for environmental and social risk due to a lack of clarity of the 	<ul style="list-style-type: none"> • A comprehensive new <i>Framework for Operations Risk Management</i> has been developed and is in operation. This includes a <i>Systematic Risk-Rating Tool (SORT)</i> which can aggregate environmental risk and social risk into one risk rating. • Definition of risk has been clarified, as “risks to the client’s

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<p>definition of risk. As a result, projects were not staffed in accordance with the level of risk.</p>	<p>achieving the expected results of the project, program, or strategy; and the risks of unintended impacts”.</p> <ul style="list-style-type: none"> • The draft of a new <i>Environmental and Social (E&S) Framework</i> proposes a new risk classification for all projects: <i>High Risk, Substantial Risk, Moderate Risk or Low Risk</i>. • Risk ratings cover all instruments and are adjusted during implementation • High risk operations imply greater management attention • Specialist safeguard staff will be assigned in accordance with risk rating, with highly experienced staff working on high risk projects
<p>Monitoring of Mitigation Measures</p>	
<ul style="list-style-type: none"> • The Bank did not have an institutional platform to track and document implementation of mitigation measures during project implementation, limiting its ability to monitor changes in risks. 	<ul style="list-style-type: none"> • The proposed ESF requires enhanced project monitoring by both the borrower and the Bank based on the level of project risk. • Enhanced grievance mechanisms within the ESF will allow people to have their concerns addressed. • A Bank-wide Grievance Redress Service has been established. • An Environmental Performance Tracking System (EPTS) and a Tracking Social Performance (TSP) tool have been developed and are in operation. • This makes it possible to record the assignment of environmental and social specialists to projects, identify environmental and social risks and record any changes in the scope and level of risk during implementation, and propose actions to address risks. • Outputs will be monitored by environment and social practice managers.

<p>Checks and Balances and Accountability Arrangements</p>	
<ul style="list-style-type: none"> • Environment and social specialists' work in project implementation was not monitored systematically. • Most specialists lead other projects or upstream analytical work with little incentive to undertake risk management, and did not have sufficient independence to challenge project team leaders on safeguards performance. • Neither managers nor RSAs were responsible for risk management during project implementation. 	<ul style="list-style-type: none"> • Under the new WBG structure launched in July 2014, social and environmental experts have been pooled in the global practices responsible for environment and social development. They will more closely monitor safeguards performance ratings, and ensure the quality of work done by environment and social specialists. • The new TSP and ESTP tracking tools, which require input of quantitative data and qualitative assessments of relevant social/environmental issues and risks, will help global practice managers improve monitoring. These managers will also oversee E&S risk management during project implementation. • The Environmental and Social Standards Advisory Team (ESSAT) within OPCS has been created to enhance project oversight for higher risk projects. It brings together all regional safeguards advisors to ensure greater consistency. • The relationship between environment/social specialists and project team leaders as well as RSAs has been clarified, and environmental/social specialists have much greater independence, as well as the necessary resources, to identify and address issues related to safeguard policies. • The global practices for environment and social development will ensure that safeguards work receives equal treatment as other technical competencies in career management, and that specialists manage social and environment risk issues adequately.

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	<p>Environmental and Social Practice Managers will be jointly responsible for risk management during project implementation along with the managers of respective global practice(s).</p> <ul style="list-style-type: none"> • Upon adoption of the new E&S Framework, all relevant Bank staff including team leaders working on investment projects will receive a mandatory training on the new E&S standards.
<p>Assignment of Technical Expertise</p>	
	<ul style="list-style-type: none"> • The Bank's regional vice presidencies and Global Practices will periodically conduct portfolio reviews to identify projects that need more environment and social technical support • The global practices responsible for environment and social development have assigned technical specialists to ensure high risk projects receive adequate attention. • The TSP and EPTS tools will track and ensure that environment and social specialists are assigned to every project. • ESSAT staff will provide oversight related to the adequacy of project assessment of environmental and social risk as well as implementation support and monitoring.

<p>Skills Development</p>	
<ul style="list-style-type: none"> • Accreditation for E&S risk management is still at an early stage of development, with different approaches for preparing staff. • There are no systematic arrangements to confirm the technical competency of consultants who conduct a significant part of safeguards work. 	<ul style="list-style-type: none"> • An environmental and social standards panel with Bankwide representation has been created to oversee the accreditation of E and S Staff for project appraisal. • The global practices for environment and social development will augment training and mentoring for environment and social specialists, through boot camps for intermediate staff. Quality courses on social safeguards are being delivered to all specialists. • An institutional roster of consultants has been established, to ensure technical competency of those who conduct safeguards work. These consultants will participate alongside Bank specialists in safeguards training programs. • Upon adoption of the new E&S Framework, OPCS and the global practices for environment and social development will revise and supplement trainings programs, integrating environment and social as required. Elements of the training will be compulsory.
<p>Funding for E&S Risk Management</p>	
<ul style="list-style-type: none"> • Resources for E&S risk management are not coordinated by management, with safeguards budgets held in multiple areas 	<ul style="list-style-type: none"> • There is a 15% proposed increase in "off-the-top" budget for safeguards review and operational support, which will be allocated to the global practices responsible for environment and social development. The two global practices will manage staff time and consultant costs, as well as the cost of travel to support project preparation and implementation.
<p>Institutional Leadership in E&S Risk Management</p>	
<ul style="list-style-type: none"> • Responsibilities for safeguards activities are spread among many 	<ul style="list-style-type: none"> • The environment and social development global practices and OPCS are currently working on new institutional arrangements to ensure that uniform measures to manage safeguards are in place.

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<p>units without institutional leadership.</p> <ul style="list-style-type: none"> Organizational and budgetary arrangements are fragmented, leading to diffused accountability for E&S risk management. 	<p>This will clarify accountabilities related to safeguards, and help improve the safeguards management system.</p> <ul style="list-style-type: none"> Arrangements include portfolio risk scans; strengthened central oversight and monitoring of high/substantial risk operations; delegation and follow-up by selected specialist environmental and social practice managers; and professional accreditation of environmental and social specialist staff under the new ESF and clear policy interpretations.
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<p>Resettlement Planning, Management and Supervision</p>	
<ul style="list-style-type: none"> Resettlement plans are not updated periodically as actionable management plans, based on a careful assessment of land acquisition and resettlement impacts, with a precise identification of losses suffered by people affected by projects. Description of resettlement impacts is not standardized, limiting the ability to facilitate monitoring, evaluation and comparisons among projects Countries do not have capacity to deal with land acquisition and involuntary resettlement Supervision efforts are not commensurate with the magnitude, complexity and risks of resettlement programs 	<ul style="list-style-type: none"> Four checklists for the supervision of resettlement preparation and implementation have been prepared and will be added to the Bank's Involuntary Resettlement Sourcebook. These checklists will address problems related to: (1) establishing effective systems for monitoring, reporting and evaluation; (2) reaching an agreement with the borrower on reporting requirements prior to project appraisal; (3) ensuring that people affected by projects have a voice in identification of impacts and losses and during the implementation and ex-post evaluation of resettlement plans; (4) assessing the adequacy of local grievance redress systems and supplementing/ strengthening them as necessary; (5) documentation on payment of compensation during implementation, ensuring timeliness and adequacy; (5) considering Bank financing of land acquisition and resettlement where funding is uncertain; (6) Reporting on results and outcomes in addition to inputs and outputs; (7) Requiring borrowers to report on resettlement implementation and plan supervision visits based on these reports (8) Preparing separate report on resettlement to be annexed to aide-mémoire The new E&S Framework will facilitate appropriate modification of resettlement plans when circumstances and conditions related to resettlement change. Standardized description of impacts is being developed, differentiating between physical displacement with or without significant impacts on livelihoods, and other types of minor, partial or temporary impacts. The new typology will be introduced in all project documents. Countries where significant differences exist between their national frameworks to deal with land acquisition and resettlement and the Bank policy will be identified for targeted support to help improve their own systems. The new E&S Framework, the new Bank organizational structure with all social development specialists working on resettlement issues in one global practice, and the development of a projects database (TSP) that identifies the scope, scale and complexity of resettlement issues in all projects, will help ensure that supervision efforts are commensurate with the level of risks of resettlement programs. Supervision reports of all projects with safeguards issues will be rated with respect to implementation of the respective issues.

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<p>Bank Policy Reform</p> <ul style="list-style-type: none">• Link the requirements on resettlement planning to the status of project design.• Increase reliance on procedures (rather than plans) to address minor impacts.• Include a negative clause on resettlement in the legal agreement.• Restrict the use of RPFs to types of projects that are likely to use them.	<p>The draft ESF's requirement for enhanced social assessment will better identify the risks related to resettlement. Including Stakeholder Engagement Plans (SEP) under ESS 10 will better ensure the engagement of affected communities and other stakeholders, especially for vulnerable and disadvantaged groups, at the beginning and throughout the life of the project and ensure that they are provided with sufficient information about the project to engage in the project effectively, including in monitoring. The Environmental and Social Commitment Plan (ESCP), which will be disclosed at various states during project preparation and following loan approval, will capture the findings of the assessment and the SEP and turn them into borrower actions to be completed in a specific timeframe.</p> <p>The new ESF moves away from reliance on safeguard instruments prepared prior to appraisal, to an approach that makes it clear in the project legal agreement that the standards will apply throughout project implementation therefore allowing for more responsive risk management and compliance monitoring.</p> <p>The new risk classification system focuses on the risk of the project and takes into account the ability of the borrower and the implementing agencies to implement their commitments. The Bank will dedicate its resources in accordance with the risk of the project and under the new ESF, risk will be continuously reviewed. Risk management enhancement will enable us to better adjust to and monitor all resettlement related impacts over the project lifetime and also give stakeholders an enhanced opportunity to engage.</p> <p>More robust requirements for grievance mechanisms will give greater voice and opportunities to resolve the concerns of communities.</p>
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