



## ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

### Frequently Asked Questions (FAQ)

You can find more information and resources on the ESF at our website: [www.worldbank.org/esf](http://www.worldbank.org/esf)

#### Does the ESF offer stronger environmental and social protections?

Yes. The ESF consolidates and clarifies the Bank's environmental and social policies for investment project finance and brings the World Bank's environmental and social protections into closer harmony with those of other development institutions.

The ESF provides broader coverage by identifying a greater range of environmental and social risks and potential impacts.

The new Framework boosts protections for people and the environment; emphasizes the importance of achieving sustainable development through capacity- and institution-building and country ownership; and enhances efficiency for both the Borrower and the Bank by requiring a timely and proportionate response to the assessment and management of environmental and social risks and impacts. Overall, the ESF promotes better – and lasting – development outcomes.

#### What are the main differences between the Bank's safeguard policies and the ESF?

The ESF's new architecture provides better clarity on the different roles and responsibilities of the World Bank and the Borrower.

The scope of social issues explicitly addressed has been expanded, for example, labor and working conditions, worker and community health and safety, and free, prior and informed consent (FPIC).

The ESF enhances requirements for transparency and stakeholder engagement. These requirements can now be found throughout the ESF, covering both the preparation and implementation of the project. The Framework also expands requirements for grievance redress mechanisms, making it clear that such mechanisms are an integral part of project design.

The ESF includes non-discrimination provisions to protect disadvantaged or vulnerable individuals or groups, and to allow them to access the benefits of

the project. In addition, a separate new mandatory World Bank Directive, which includes some examples of these groups, requires staff to assist borrower governments to consider, mitigate, and manage potential impacts on such individuals and groups.

The ESF highlights additional environmental issues, for example the addressing climate change and promoting climate resilience, the sustainable management of living natural resources, and water management.

The ESF requires Borrowers to consider project related transboundary and global risks and impacts, such as climate change mitigation, adaptation and resilience issues.

The ESF calls for adaptive management of environmental and social risks and impacts – which means having the flexibility to adjust to changes on the ground, to new information, to new risks. This is widely recognized as sound development practice and will allow Borrowers to respond to issues as the project develops and progresses. A rigorous upfront scoping will be required to determine the scope and significance of environmental and social impacts.

The ESF also calls for proportionality – which means that all risks should not be treated equal and that more resources should be allocated to projects with greater risks.

### **When and how will Borrowers' environmental and social framework be used?**

Strengthening national systems in borrowing countries is recognized as a central development goal by the World Bank and its shareholders. In line with this goal, the ESF enables a Borrower to propose using relevant parts of its Environmental and Social Framework for the assessment, development and implementation of a project when this is likely to address the risks and impacts of the project, and enable the project to achieve objectives materially consistent with the Environmental and Social Standards.

In such a case, the World Bank will evaluate those aspects of the Borrower's policy, level and institutional framework that are relevant to the project including the Borrower's:

- National, subnational or sectoral implementing institutions
- Applicable laws, regulations, rules and procedures
- Implementation capacity and track record

If the evaluation identified gaps in the Borrower's Environmental and Social Framework, the Borrower will work with the Bank to identify measures and actions to address such gaps. Such measures and actions will be set out in the ESCP together with the timeframes for their completion, and may be implemented during project preparation or project implementation.

### **What does the concept of Common Approach entail?**

When a project is jointly financed by the World Bank and other multilateral or bilateral agencies a Common Approach can be proposed for the assessment and management of environmental and social risks and impacts, if it enables the project to achieve objectives materially consistent with the Environmental and Social Standards. In deciding on a Common Approach, the Bank will take into account the policies, standards and implementing procedures of the other agencies.

The World Bank, the Borrower, and co-financing agencies will agree on measures and actions to be incorporated in the Borrowers Environmental and Social Commitment Plan under the proposed Common Approach.

Some multilateral development banks, including IFC and EBRD, already use environmental and social policies similar to the ESF. Other development partners, including national development agencies such as JICA and KFW, have expressed interest in adopting the ESF, or parts of it.

### **What are the Guidance Notes for Borrowers?**

The World Bank has developed Guidance Notes for Borrowers that support the [Environmental and Social Standards](#). These notes are intended to help countries that borrow from the World Bank to apply the standards by providing further explanation on specific requirements of the Standards, including examples of good practice.

The Guidance Notes are not mandatory. They provide guidance to Borrowing countries on how to assess and manage the environmental and social risks and impacts of Bank-funded projects, and how to identify and implement appropriate mitigation measures. The Guidance Notes reflect good international practice, and provide practical suggestions to help Borrowers achieve the Standards.

To ensure that the Guidance Notes were of practical help to Borrowers, they were disclosed for public comment. Comments were received from a range of different stakeholders, including Borrowers, donors, MDBs, CSOs, private sector, academics, and other individuals. We received 79 comment submissions, including more than 3,000 separate comments.

The World Bank is also providing supplementary materials, including Good Practice Notes, templates, checklists and other materials to assist both Bank staff and Borrowers in the assessment and implementation of projects.

To reflect project experience, the Guidance Notes will be updated periodically during the implementation of the Environmental and Social Framework.

### **Why does the Framework only apply to Investment Project Financing, and not to Development Policy Financing (DPFs), and Program for Results (P4R)?**

Bank policy and environmental and social requirements are tailored to the nature of specific financial instruments. The ESF focuses on Investment Project Financing (IPF), which covers approximately 75% of Bank lending. IPF supports specific investments and finances activities that are well-defined in their nature and scope.

In contrast, the two other financing instruments work at a different level – the Program for Results works at the level of the programs and systems, while Development Policy Financing works at the policy and country level. They each require consideration of environmental and social issues, tailored to the design of each instrument and embedded in their respective operational policies.

### **Does the ESF standard on Labor and Working Conditions refer to international conventions, including those of the ILO?**

The World Bank's environmental and social requirements have been expanded to include a specific standard (ESS2) on labor and working conditions. This includes provisions on terms and conditions of work, non-discrimination, workers organizations, child and forced labor, and occupational health and safety (building on what is already contained in the World Bank Group's Environmental, Health and Safety Guidelines).

ESS2 applies to different categories of workers involved in the project. This includes workers employed directly by the Borrower to work specifically in relation to the project; workers employed by third parties (including contractors and labor suppliers); primary supply workers; and workers involved in community labor.

ESS2 establishes the requirement for a grievance mechanism for workers.

ESS2 is informed by ILO's core labor standards and has benefited from extensive discussions with the ILO, international and local trade unions and other labor experts. ESS2 does not refer to international labor conventions because it is a stand-alone Bank standard that is independent of any other treaties. However, as most countries are members of the ILO and have ratified some, if not all, of the core labor standards, many Borrowers will find that the provisions of ESS2 are already reflected in national law.



### **How are children protected under the ESF?**

Issues related to children are addressed more explicitly in the Framework through the provisions relating to protecting individuals or groups that are disadvantaged or vulnerable, and therefore more likely to be adversely affected by the project and less able to take advantage of project benefits. This non-discrimination principle is reflected in many of the standards, including in relation to social risks and community health and safety. Specific requirements aimed at preventing child labor are included in ESS2. Both the ES Policy and ESS1 state that considerations relating to age, including the elderly and minors, should be taken in to account in assessing disadvantage or vulnerability.

With respect to labor, the Framework contains requirements on prohibiting the employment of children under the age of 18 in connection with the project in a manner which is likely to be hazardous or interfere with the child's education or be harmful to the child's health or physical, mental, spiritual, moral or social development.

In addition, the World Bank Directive, Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups requires staff to consider the extent to which a project identifies those that may be disadvantaged or vulnerable and identified measures for managing and mitigating such risks and impacts. The Directive provides examples of disadvantaged or vulnerable individuals or groups, and includes considerations relating to age, including minors.

### **What are the most important ways in which the World Bank has enhanced protections for disadvantaged and vulnerable groups in the ESF?**

The ESF introduces a non-discrimination principle that explicitly requires the Bank and Borrowers to pay particular attention to any risks and impacts that could disproportionately affect disadvantaged and vulnerable groups and that could hinder these groups to access development benefits.

The Bank has also issued a mandatory Directive for Bank staff on "Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups" that places responsibility on Bank staff to work with the Borrower to ensure that where these issues arise in the project, they are identified and addressed in a manner acceptable to the Bank.

The Directive provides examples of disadvantaged and vulnerable individuals or groups and explicitly requires staff to assist the Borrower to implement differentiated measures.

To ensure priority is given to this important agenda, the Bank has also:

- Appointed a Disability Advisor to ensure that Bank policies, programs and projects take people with disabilities into consideration.
- Hired a Sexual Orientation and Gender Identity Advisor who will provide intellectual leadership and technical guidance to Bank teams and enhance coordination with CSOs, UN Agencies, and other partners and stakeholders.
- Established Global Gender-Based Violence (GGBV) Task Force to strengthen the institution's response through its projects to issues involving sexual exploitation and abuse.

### **Are Human Rights addressed in the ESF?**

The Framework incorporates key human rights principles, including transparency, accountability, consultation, participation, non-discrimination, and social inclusion.

In addition, the overarching, aspirational vision statement of the ESF emphasizes that the World Bank's activities support the realization of human rights expressed in the Universal Declaration of Human Rights and that the World Bank, through the projects it finances, and in a manner consistent with its Articles of Agreement, will continue to support its member countries as they strive achieve their human rights commitments.

The World Bank has been working for more than half a century to end extreme poverty and help boost opportunities and living conditions for people in the developing world. Every day, we work in the most difficult parts of the world to advance the rights of the poor through better health care, education, clean water and sanitation, social protection, and better access to services.

### **What protections does ESS7 provide for Indigenous Peoples? And how is ‘consent’ in Free Prior, and Informed Consent defined?**

The new Framework advances the Bank’s existing Indigenous Peoples policy by including Free, Prior, and Informed Consent (FPIC), and by addressing peoples in voluntary isolation, and pastoralists

In the ESF, ‘consent’ is defined as *“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”*. The process of FPIC builds on a process of meaningful consultation with affected groups, and is established through good faith negotiations. FPIC incorporates both an agreed process and a documented outcome. The ESF recognizes that FPIC does not require unanimity. It is not a veto and it may be achieved even if some individuals or groups object to project activities.”

### **What does the ESF say on Climate Change?**

Climate change is among the most pressing development issues of this generation. The World Bank recognizes the fundamental importance of this issue and has developed an institution-wide strategy to address it – see the [World Bank Group’s Climate Change Action Plan 2016-2020](#). The new ESF includes a range of climate change considerations, including GHG emission estimation and climate change adaptation.

- In specified circumstances, Borrowers are required to estimate gross GHG emissions.
- An increased focus on resource efficiency measures at the project level will provide climate benefits.

Additional information on the World Bank Group’s Climate Change Action Plan strategy can be found at: <http://www.worldbank.org/en/topic/climatechange>

### **What are the protections related to forests and natural habitats?**

The proposed framework strengthens existing provisions on the conservation of biodiversity and the management of living natural resources, including forests, by introducing more specific and stringent requirements.

- It reiterates the ‘precautionary approach’.
- It provides more clarity on how risks and diverse impacts on critical and natural habitats must be mitigated and applies a clear mitigation hierarchy.
- The ESF clarifies that biodiversity “offsets” should only be considered as a last resort and recognizes that some potential biodiversity impacts cannot be offset, if the area is unique and irreplaceable from a biodiversity standpoint.
- The ESF recognizes the importance of ecological systems, ecosystem services, cultural and economic values of natural habitats as well as biodiversity features.



### **What are the ESF requirements regarding industrial logging and projects in protected forests?**

The ESF provides more comprehensive protections for forests and biodiversity than the current safeguard policy on Forests, especially in light of specific attention to the importance of ecosystem services.

Both state that if the Bank supports industrial scale commercial forest harvesting (and small operations that are directly associated with industrial scale ones) these should be certified under an independent forest certification system or agree to adhere to a time-bound action plan (acceptable to the World Bank) for achieving such certification.

For projects involving forest harvesting operations conducted by small-scale producers, by local communities under community forest management not directly associated with an industrial-scale operation, ESS6 does not require formal certification, but does require an acceptable standard of sustainable management.

### **How does the ESF manage land rights of people affected by its investments?**

The World Bank's existing policy on Involuntary Resettlement already provides strong protections for people and their rights to land when they are impacted by a Bank-supported project.

The new Framework builds on the Bank's existing resettlement policy and clarifies the protections related to land and involuntary resettlement.

It strives to avoid, or where unavoidable to minimize, involuntary resettlement; to avoid forced eviction as it is defined in ESS5; and to mitigate adverse impacts through compensation and assistance. Borrowers are required to consult with communities affected by resettlement over the life of the project, and resettlement processes need to be transparent.

ESS5 includes an annex with detailed resettlement planning requirements; clarifies that compensation must be paid before displacement, and includes a requirement to assess risks and impacts caused by land titling activities.