



Review and Update of the World Bank’s Environmental and Social Safeguard Policies
Phase 3
Feedback Summary

Date: January 20, 2016

Location: Cairo, Egypt

Audience: Ministries, Implementing agencies

| ESF | Issue | Items | Feedback |
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| Vision | Human Rights | <ul style="list-style-type: none"> • Approach to human rights in the ESF | |
| ESP/ ESS1 | Non-discrimination and vulnerable groups | <ul style="list-style-type: none"> • Explicit listing of specific vulnerable groups by type/name (age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or indigenous status, and/or dependence on unique natural resources) • Specific aspects of the non-discrimination principle in complex social and political contexts, including where recognition of certain groups | |

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| | | is not in accordance with national law | |
| | Use of Borrower's Environmental and Social Framework | <ul style="list-style-type: none"> • Role of Borrower frameworks in the management and assessment of environmental and social (E&S) risks and impacts where these will allow projects to achieve objectives materially consistent with Environmental and Social Standards (ESSs) • Approach for making decision on the use of Borrower frameworks, including the methodology for assessing where frameworks will allow projects to achieve objectives materially consistent with the ESSs, and the exercise of Bank discretion • Role of Borrower frameworks in high and substantial risk projects | |
| | Co-financing/ common approach | <ul style="list-style-type: none"> • Arrangements on E&S standards in co-financing situations where the co-financier's standards are different from those of the Bank | <ul style="list-style-type: none"> • More information is needed on how the borrower would operationalize this. |
| | Adaptive risk management | <ul style="list-style-type: none"> • Approach to monitoring E&S compliance and changes to the project during implementation | <ul style="list-style-type: none"> • The SFD is initiating an MIS to track the environmental performance of all of its projects and sub-projects, which could reach more than 1000 projects. The Bank should also consider creating a similar MIS for its projects given the proposed adaptive risk management approach. |

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| | Risk classification | <ul style="list-style-type: none"> • Approach to determining and reviewing the risk level of a project | |
| ESS1 | Assessment and management of environmental and social risks and impacts | <ul style="list-style-type: none"> • Assessment and nature of cumulative and indirect impacts to be taken into account • Treatment of cumulative and indirect impacts when identified in the assessment of the project • Establishing project boundaries and the applicability of the ESSs to Associated Facilities, contractors, primary suppliers, FI subprojects and directly funded sub-projects • Circumstances under which the Bank will determine whether the Borrower will be required to retain independent third party specialists | <ul style="list-style-type: none"> • Some participants stated that many contractors are not highly educated. Therefore, awareness raising efforts on the ESF should take into consideration the different target groups. |
| | Environmental and Social Commitment Plan (ESCP) | <ul style="list-style-type: none"> • Legal standing of the ESCP and implications of changes to the ESCP as part of the legal agreement | <ul style="list-style-type: none"> • There were several issues raised regarding the content and implementation of the commitment plan. There were concerns raised regarding the capacity and resources needed to implement it. <ul style="list-style-type: none"> • How do associated facilities factor into the ESCP if the Borrower does not have authority/leverage to require them to comply with the Bank's ESF? |
| ESS2 | Labor and working conditions | <ul style="list-style-type: none"> • Definition and necessity of and requirements for managing labor employed by certain third parties (brokers, agents and intermediaries) | <ul style="list-style-type: none"> • Clarifications were sought on how labor requirements would apply to contractors. • There was some discussion around how a Grievance Redress System (GRS) should be operationalized. In certain sectors the |

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| | | <ul style="list-style-type: none"> • Application and implementation impacts of certain labor requirements to contractors, community and voluntary labor and primary suppliers • Constraints in making grievance mechanisms available to all project workers • Referencing national law in the objective of supporting freedom of association and collective bargaining • Operationalization of an alternative mechanism relating to freedom of association and collective bargaining where national law does not recognize such rights • Issues in operationalizing the Occupational Health and Safety (OHS) provisions/standards | <p>existing GRS is dysfunctional. An electronic GRS should be created for all Bank projects. Among other benefits, this is expected to help accelerate responsiveness to complainants. Experiences can be shared between different projects with regards to the common complaints, for example, could be an added value, to pre-emptively identify and address causes of such complaints before they evolve.</p> <ul style="list-style-type: none"> • Establishment of a GRM for contracted workers is important, yet very challenging, since different workers can be recruited on a daily (cash for work / day labor) basis, without insurance. • Such workers are most likely to fail in getting their due rights in case of any occupational fatal incident as contractors tend not to register them. Therefore, contractors should be required to register all workers and provide insurance coverage to them. • There needs to be close oversight on contractors, to ensure they are complying with the necessary rules, and maintaining rights of the workers. In the meantime, punitive mechanisms should be applied in case of noncompliance. • Day laborers tend to avoid having themselves registered or insured, so as to avoid any wage deductions. How does ESS 2 address these workers? • The number of the facilities employing such workers is several millions, however the government inspectors mandated to ensure that these facilities provide insurance to workers are only 1200 across the country. Recruiting more inspectors is not an easy task, since the government is trying to limit recruiting new civil servants, in addition to the fact that salaries of these inspectors are not encouraging. • All of the problems we are facing in this regard are regulated under law 12/2003 (labor law¹), which needs to be enforced. • The implementation unit of the Cairo airport's terminal 2 project could be considered a model in this regard—they enforce the |
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¹ Arabic copy of the law: http://www.arabruleoflaw.com/bankruptcyreform/wp-content/uploads/2014/05/EL_31_Ar.pdf

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| | | | contractors and sub-contractors to provide insurance for 50 workers, for example, regardless of their daily turnover. |
| ESS3 | Climate change and GHG emissions | <ul style="list-style-type: none"> • The relation between provisions on climate change in the ESF and broader climate change commitments, specifically UNFCCC • Proposed approaches to measuring and monitoring greenhouse gas (GHG) emissions in Bank projects and implications thereof, in line with the proposed standard, including determining scope, threshold, duration, frequency and economic and financial feasibility of such estimation and monitoring • Implications required for the Borrower of estimating and reducing GHG emissions for Bank projects, in line with the proposed standard | <ul style="list-style-type: none"> • Currently, there is no national law for carbon fingerprint. • Participants asked the Bank for a manual that explains how to calculate GHG. • The calculation mechanism is very important, since it would involve cost implications. • Participants considered that the measurement of GHG emissions is very important, especially after the Paris climate change conference, which entails that no fossil fuel would be used beyond 2050. They added that the use of renewable energy should be promoted, and that Egypt should start adopting these measures at government facilities, through utilization of solar power, for instance. • Further emphasis should be placed on solid waste management; and participants requested the Bank's assistance (with respect to the best practices, e.g.) in this regard. • Participants mentioned that the threshold amount of the emissions shouldn't be expressed in absolute numbers, e.g., 12k tons per year. |
| ESS5 | Land acquisition and involuntary resettlement | <ul style="list-style-type: none"> • Treatment and rights of informal occupants and approach to forced evictions in situations unrelated to land acquisitions • Interpretation of the concept of resettlement as a “development opportunity” in different project circumstances | |

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| ESS6 | Biodiversity | <ul style="list-style-type: none"> • Operationalization of the provisions on primary suppliers and ecosystem services, especially in situation with low capacity • Role of national law with regard to protecting and conserving natural and critical habitats • Criteria for biodiversity offsets, including consideration of project benefits • Definition and application of net gains for biodiversity | |
| ESS7 | Indigenous Peoples | <ul style="list-style-type: none"> • Implementation of the Indigenous Peoples standard in complex political and cultural contexts • Implementation of ESS7 in countries where the constitution does not acknowledge Indigenous Peoples or only recognizes certain groups as indigenous • Possible approaches to reflect alternative terminologies used in different countries to describe Indigenous Peoples • Circumstances (e.g. criteria and timing) in which a waiver may be considered and the information to be provided to | |

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| | | <p>the Board to inform its decision</p> <ul style="list-style-type: none"> • Criteria for establishing and implementation of Free, Prior and Informed Consent (FPIC) • Comparison of proposed FPIC with existing requirements on consultation • Application of FPIC to impacts on Indigenous Peoples' cultural heritage | |
| ESS8 | Cultural Heritage | <ul style="list-style-type: none"> • Treatment of intangible cultural heritage • Application of intangible cultural heritage when the project intends to commercialize such heritage • Application of cultural heritage requirements when cultural heritage has not been legally protected or previously identified or disturbed | |
| ESS9 | Financial Intermediaries | <ul style="list-style-type: none"> • Application of standard to FI subprojects and resource implications depending on risk • Harmonization of approach with IFC and Equator Banks | |
| ESS10 | Stakeholder engagement | <ul style="list-style-type: none"> • Definition and identification of project stakeholders and nature of engagement • Role of borrowing countries or implementing agencies in | <ul style="list-style-type: none"> • How should we engage the “right” project stakeholders? |

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| | | identifying project stakeholders | |
| General | EHSG and GIIP | <ul style="list-style-type: none"> • Application of the Environmental, Health and Safety Guidelines (EHSGs) and Good International Industry Practice (GIIP), especially when different to national law or where the Borrower has technical or financial constraints and/or in view of project specific circumstances | |
| | Feasibility and resources for implementation | <ul style="list-style-type: none"> • Implementation and resource implications for Borrowers, taking into account factors such as the expanded scope of the proposed ESF (e.g., labor standard), different Borrower capacities and adaptive management approach • Mitigation of additional burden and cost and options for improving implementation efficiency while maintaining effectiveness | |
| | Client capacity building and implementation support | <ul style="list-style-type: none"> • Funding for client capacity building • Approaches and areas of focus • Approach to implementing the ESF in situations with capacity constraints, e.g., FCS, small states and emergency situations | <ul style="list-style-type: none"> • How will the Bank identify needs of the client with regards to capacity building—will they report their needs to us, or will the Bank approach the Borrower? |

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| | Disclosure | <ul style="list-style-type: none"> • Timing of the preparation and disclosure of specific environmental and social impact assessment documents (related to ESS1 and ESS10) | |
| | Implementation of the ESF | <ul style="list-style-type: none"> • Bank internal capacity building, resourcing, and behavioral change in order to successfully implement the ESF • Ways of reaching mutual understanding between Borrower and Bank on issues of difficult interpretation | |
| Other issues | | | |