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Operations Policy & Country Services

Setting Standards for Sustainable Development

Update and Review of the World Bank's Safeguard Policies

Country Case Studies

*Phase 3 Consultation in
Bangladesh
November 9-10, 2015*

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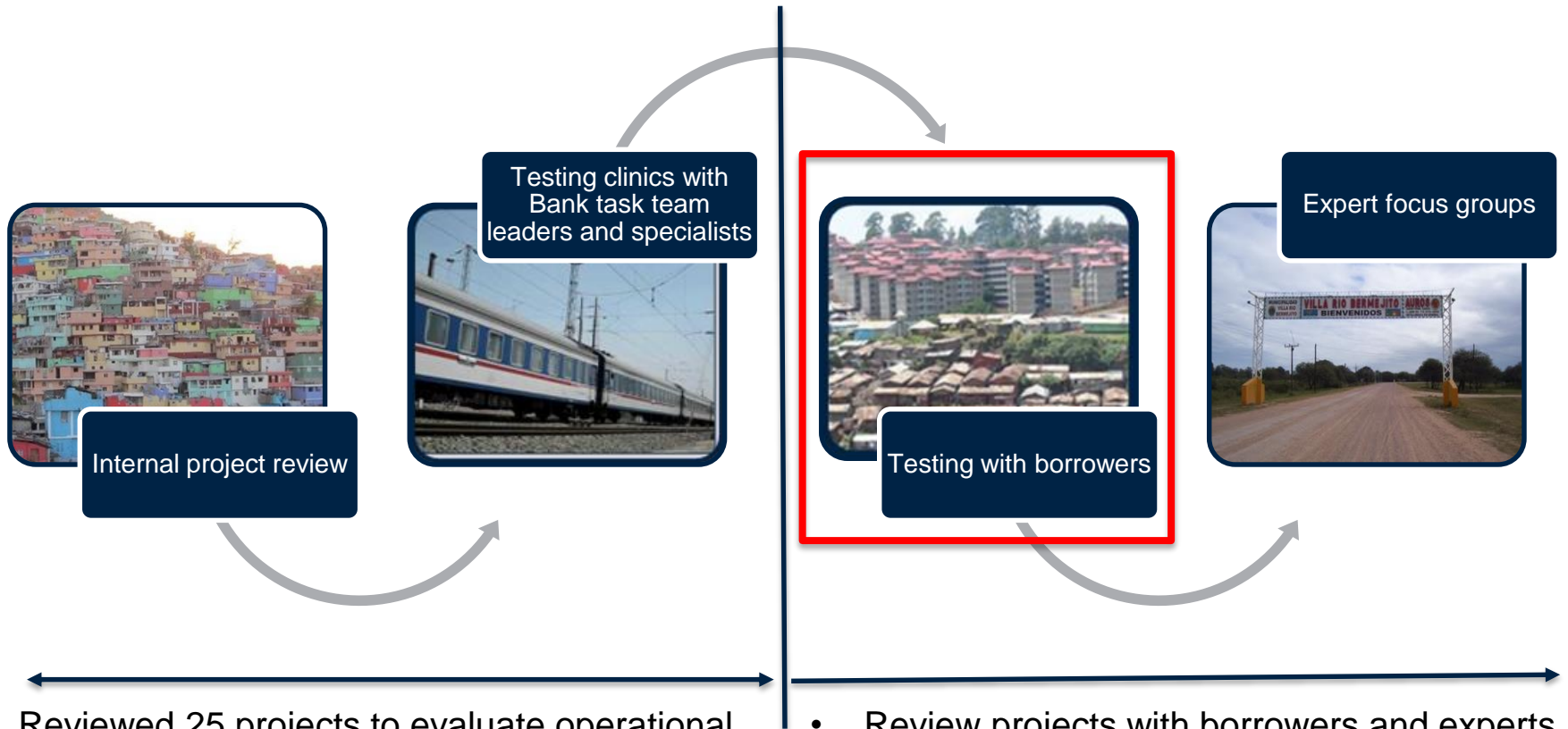


Objective

Testing the proposed Framework for Operational Implications

- identify implementation challenges and opportunities
- identify aspects that require additional clarification/need for additional operational guidance

Approach



- Reviewed 25 projects to evaluate operational implications of the proposed Framework for Borrowers and Bank
- More reviews to be added throughout consultation phase

- Review projects with borrowers and experts throughout consultation phase
- Case studies (2-3 projects) base on country portfolio, exploring how the proposed Framework might or might not differ from the Bank's current policies

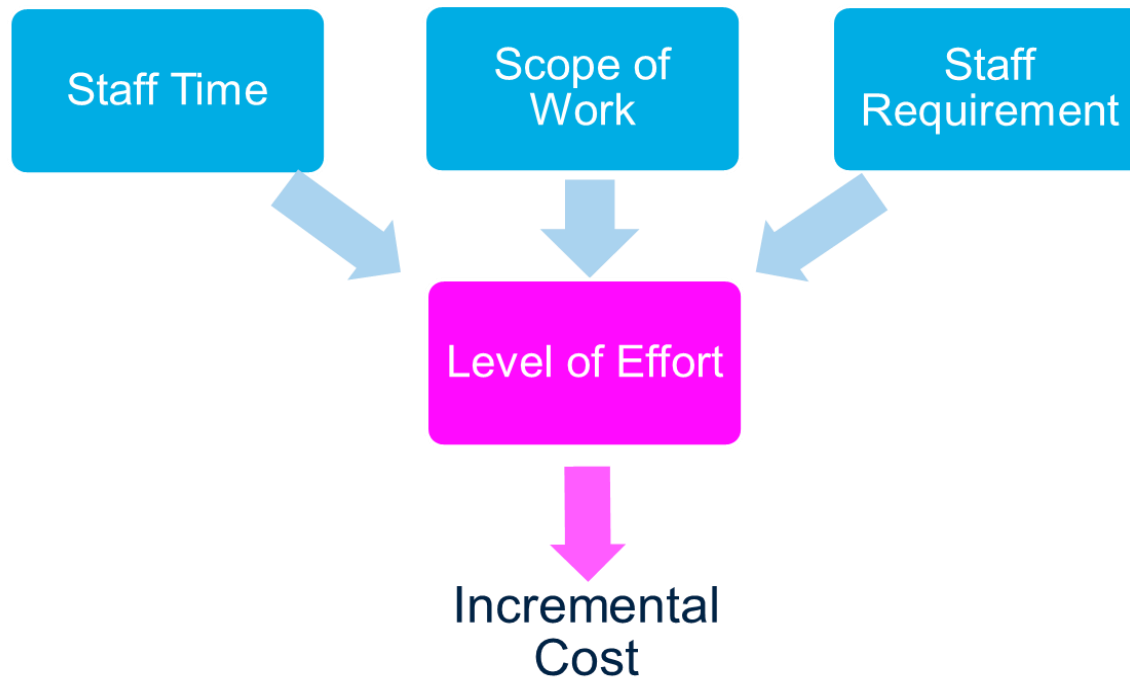
Methodology [1/2]

- Comparison of current safeguard policies as applied to existing projects with provisions of proposed Framework. **Incremental changes to the scope of work** for Bank and Borrowers are specified as below:

Incremental Level of Effort	Incremental Staff Time	Scope of Work	Staff Requirement
NO CHANGE/COST SAVINGS	--	--	--
LOW	Hours	Limited work, building on existing analysis already done for the project with fine tuning	Environmental and social qualified staff
MODERATE	Days	Minor additional works, also based on existing analysis already done for the project.	Environmental and social qualified staff supplemented by credible external staff
HIGH	Weeks	New analytical work, not considered before, based on collecting secondary data and synthesizing existing information or generating new and specific knowledge	External subject matter expert on specific issues

Methodology [2/2]

- Incremental cost will depend on the staffing and expertise of the PIU, and the availability of other studies not aimed particularly as safeguards studies, but which may provide cost savings (e.g. maternal health or gender study).



Projects to be discussed today

- Integrated Agriculture Productivity Project
- Investment Promotion and Financing Facility Project

Integrated Agriculture Productivity Project

Integrated Agriculture Productivity Project

Project facts

- **Objectives:** To enhance the productivity of agriculture (crops, livestock and fisheries) in pilot areas. These areas lie in Rangpur, Kurigram, Nilfamari and Lalmonirhat districts in the North and Barisal, Patuakhali, Barguna and Jhalokathi districts in the South.
- **Financing (US\$):** 63.81 million (Global Agriculture and Food Security Program 46.31 million; Borrower 17.50 million)
- **Environmental Category:** B
- **Safeguards Triggered:** Environment Assessment (OP 4.01), Natural Habitat (OP4.04), Pest Management (OP4.09), Indigenous Peoples (OP 4.10), and Involuntary Resettlement (OP 4.12)
- **Safeguards Instruments:** Environment Management Framework (EMF) and Social Management Framework (SMF), which included Resettlement Policy Framework (RPF) and Tribal Management Framework (TMF)
- **Approved:** June 2011

Context

- The main thrust of the project is on (i) the southern tidal salt affected areas; and (ii) drought prone areas and the flash flood prone areas in the northern region of the country.
- The primary beneficiaries are small and marginal farmers, including women farmers.
- Project activities are not expected to cause any significant negative or irreversible changes in the environment, though it may have some impact, such as soil and water quality changes from use of agrochemicals and production; increased use of surface water; and minor construction impacts.

ESS 1: Assessment and Management of Environmental and Social Risks and Impacts

- Possible cost savings: possibility of relying on Borrower Framework. If the use of Borrower Framework is requested, the Bank would keep an up to date assessment of the Borrower framework. The major effort falls upon the Bank. The Borrower would meet with the Bank team and provide guidance to the Bank of accessing published documents.
- Under the proposed ES Framework, the requirement of social impact assessment becomes more focused, and includes specific reference to vulnerable groups.
- The preparation of the ESCP would entail minor effort as this is basically a procedural aspect, and it specifies/refers to other instruments. That is, this is a process of formalizing in a different manner elements/documents that we already have now.
- The expected additional level of effort is low to moderate



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ESS 2: Labor and Working Conditions

- This Policy has not been applied in the past and is expected to need efforts on the part of the borrower to provide information to the bank and assist with Bank due diligence process.
- This ESS would apply, in varying degrees, to direct workers, contracted workers and workers in community labor in this project.
- The principles of Occupational Health and safety (OHS) were applied in this project.
- This standard includes recognition of the workers' right to organize, prohibition of forced labor and child labor. Baseline information would be required to make a determination of the applicability of the standard.
- A grievance redress mechanism for all project workers would be required to be established.
- The borrower would be responsible to set in place procedures for monitoring of this ESS.
- The expected additional level of effort is moderate to high.



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ESS3: Resource Efficiency and Pollution Prevention and Management

- Efforts to meet this standard is not expected to be a major one given that much of the work required for this project would have been done under the current policies.
- Appropriate measures have been identified for water use, pollution management and pest management relevant to this project.
- Impact from climate change has been already discussed in the EMF and measures (use of climate resistant varieties) have been recommended. Annual estimation of GHG emissions would be required, if the emissions exceed the threshold established by the Bank.
- The expected additional level of effort is low.



ESS 4: Community Health and Safety

- The EMF already contains requirements related to risk and impacts on the public from the project.
- Some additional work would be needed for communities exposure to water borne communicable & non-communicable disease that could result from project activities.
- Risk hazard assessment related to pesticide has been prepared. Minor work for Emergency Response Plan (ERP) would be required under the proposed Framework.
- The expected additional level of effort is low.



ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

- There is no significant change in this standard from the current policy (Operational Policy 4.12).
- The project is expected to have very few physical work and meets all the requirements of the standard in terms of work already completed under the current policy, such as holding of consultation with stakeholders, preparation of resettlement framework, provision of a grievance redress mechanism, disclosure of information etc.
- Regarding ensuring consultation with women, the project already includes a reference to women and others as vulnerable groups.
- No additional effort is required for this ESS.



ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

- The project will finance the development and introduction of new varieties of crops and other organisms; aquaculture activities that may impact natural aquatic habitats.
- The EMF has analyzed the implication of project activities for natural habitats and identified a management approach to minimize potential harms to natural systems. The EMF contains measures to avoid negative impacts to biodiversity from the project's introduction of the selectively bred species.
- No additional effort is required for this ESS.



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ESS 7: Indigenous Peoples

ESS 8: Cultural Heritage

ESS 9: Financial Intermediaries

ESS7

- Little or no ethnic minority settlement in the project areas.
- Approach remains the same.
- No additional effort is required for this ESS.

ESS8

- There is no implication for additional efforts in the application of this standard as there is no cultural property identified in the project area.

ESS9

- Presently there are no FIs in the project and hence no incremental efforts would be required.
- No additional effort is required for this ESS.



ESS 10: Stakeholder Engagement and Information Disclosure

- Extensive consultations have been held for the preparation of this project.
- Under the new ESS 10, stakeholder engagement for the E&S impacts and their mitigation would be more systematic and an on-going activity over the life of the project. Some effort would be required to prepare a Stakeholder Engagement Plan (SEP) where currently, stakeholder consultation is covered in the E&S assessment and the mitigation plans.
- Currently the project has three tier grievance redress mechanism in place to respond to complaints (village, union and regional levels). Some minor effort would be required to disclose information about the status of resolution of all grievances.
- The expected additional level of effort is moderate.



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Investment Promotion and Financing Facility Project

Investment Promotion and Financing Facility Project

Objectives: (i) supplement the resources of the Bangladesh financial markets to provide term finance for infrastructure and other investment projects beyond the capacity of local finance institutions; (ii) promote the role of private sector entrepreneurs in the development of capital projects, especially infrastructure.

Financing (US\$). Original Credit: \$50 million; AF: \$257 million

Environmental Category: Financial Intermediary

Safeguards Triggered: Original Credit: Environment Assessment (OP 4.01); AF: Environment Assessment (OP 4.01), Indigenous Peoples (OP 4.10), Physical Cultural Resources (OP 4.11) and Involuntary Resettlement (OP 4.12)

Safeguards Instruments: Environment and Social Management Framework (ESMF), which included Social Management Framework and an Indigenous Peoples Development Plan

Approved: Original Credit: April 2006; AF: April 2010

Context

- Components: (i) implementation TA; and (ii) FI financing through private sector financial intermediaries for government sponsored infrastructure projects to be developed by the private sector; facilitate new infrastructure projects with potential for private sector participation and other eligible private sector investments (power generation, transmission, distribution; bridges, ports, container terminals, water treatment plants, waste disposal projects, highways; airports; water supply; industrial estates; social infrastructure; IT)

ESS 1: Assessment and Management of Environmental and Social Risks and Impacts

- Possible cost savings:
 - common approach if joint financing with other multilateral or bilateral agencies;
 - reliance on requirements of other agencies if other multilateral or bilateral agencies have already provided financing to the same FI (including E&S assessment and institutional requirements);
 - possibility of relying on Borrower Framework in certain circumstances
- If the assessment of the borrower framework was requested, the major effort falls upon the Bank. GoB would meet with the Bank team and provide guidance to the Bank of accessing published documents and laws and regulations)
- Under the proposed ES Framework, the requirement of social impact assessment becomes more focused, and includes specific reference to vulnerable groups.
- The preparation of the ESCP will entail minor effort as this is basically a process of formalizing in a different manner elements/documents that we already have now
- The expected additional level of effort is moderate.

ESS9: Financial Intermediaries

- FI required to comply the relevant requirements of the ESSs to any subprojects that involves resettlement (unless the risk of resettlement is minor), adverse risks or impacts on IP or significant risks or impacts on the environment, community health, biodiversity or Cultural Heritage
- New: FI will be required to conduct stakeholder engagement throughout lifetime of the Project in a manner proportionate to the risks and impacts of the project; put in place procedures for external communications on E&S proportionate to the risk and impacts of the FI subprojects; the FI will respond to public enquiries and provide link to E&S assessments on its website for high risk subprojects it finances
- New: More explicit requirements on staffing and training (designation of representative of FI's senior management; appointment of staff responsible for day-to-day; availability of resources and expertise; training on ESSs)
- Annual reporting to the Bank
- The expected additional level of effort is moderate.

ESS2: Labor and Working Conditions

- ESS2 will apply to each of the FIs
- ESS 2 has not been applied in the past and is expected to need efforts. Under the new ESF, FIs will be required to provide information to the WB and assist the WB due diligence process.
- This ESS applies, in varying degrees, to direct workers, contracted workers (for work related to core functions of the project), primary supply workers (for materials essential for core functions of the project).
- ESS2 contains requirements regarding clear terms of conditions of employment, measures related to non-discrimination and equal opportunity, recognition of the workers right to organize, and prohibition of forced labor and child labor.
- ESS2 requires Occupational Health and safety (OHS) principles to be applied and a grievance redress mechanism for all project workers to be established.
- The expected additional level of effort is moderate.

ESS3: Resource Efficiency and Pollution Prevention and Management

- Applies only if subproject presents significant risks or impacts on the environment.
- Potential incremental effort to apply resource efficiency measures if subproject is significant user of energy, water or raw materials.
- For subprojects expected to produce GHG emission in excess of threshold, annual estimation of GHG emission would be required.
- The expected additional level of effort is moderate.

ESS4: Community Health and Safety

- Applies only if subproject presents significant risks or impacts on community health
- Minor additional work is needed to meet the requirements of structural design safety in accordance with EHSB and GIMP, taking into account climate change considerations; risks to public and application of universal access to design of new public buildings.
- New: if sub-project is in high-risk location and failure could present safety risk, external experts required.
- New: Requirement to identify risks and impacts on ecosystem services, in particular those that may be exacerbated by climate change
- Requirements regarding assessment of communities' exposure to water borne, water based, communicable & non-communicable disease that could result from project activities or associated with presence of project labor
- The expected additional level of effort is moderate.

ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

- **Applies only if subproject involves resettlement (unless the risk of resettlement is minor).**
- **Requirements remain the same.**
- **Requirements clearer on voluntary land acquisitions, land already purchased by Gvt and prohibition on forced evictions.**
- **Consultations would require more specific effort to ensure involvement of vulnerable groups**
- **The expected additional level of effort is low.**

ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

- **Applies only if subproject presents significant risks or impacts on the environment**
- **New ESS takes into account Modified Habitat with biodiversity value, Natural Habitat and Critical Habitat**
- **New: need to consider impacts on ecosystem services and living natural resources as related to affected communities**
- **The expected additional level of effort is potentially moderate to high.**

ESS7: Indigenous Peoples

- Applies only if subproject involves adverse risks or impacts on IP
- Approach is similar.
- More precise requirements regarding ensuring meaningful consultation with IP
- Change is application of FPIC if subproject (i) has impact on land or natural resources subject to traditional ownership or under customary use or occupation, (ii) cause relocation of IP from natural resources subject to traditional ownership or under customary occupation or use; or (iii) have significant impacts on IP's Cultural Heritage.
- Project GRM has to be culturally appropriate and accessible to IP
- The expected additional level of effort is low.

ESS8: Cultural Heritage

- Applies only if subproject presents significant risks or impacts on CH
- If applicable, the only potential low incremental effort would be to ascertain whether “intangible heritage” exists in the area of the project.
- The expected additional level of effort is low.

ESS10: Stakeholder Engagement and Information Disclosure

- **The efforts towards this standard needs to be considered in conjunction with the work done for all the other ESSs, particularly ESS 1, 5, 7 and 9.**
- **The current approach is instrument-based and consultations have been held for the preparation of the safeguards instruments for this project (ESMF, RAP, IPP)**
- **Under the new ESS 10, stakeholder engagement for the E&S impacts and their mitigation is an on-going activity over the life of the project. Some effort would be required to prepare a Stakeholder Engagement Plan (SEP) where currently, stakeholder consultation is covered in the E&S assessment and the mitigation plans. Better documentation could also be done of stakeholder engagement in the SEP.**
- **The expected additional level of effort is moderate.**

Discussion

1. *Feasibility and resources for implementation?*

- What are the implementation and resource implications for Borrowers?
- What can the Bank do to mitigate additional burden and cost?
- How can the implementation of projects be made more efficient?

2. *Borrower capacity building and support for implementation?*

- How can the Bank support capacity building?
- Are there specific areas of focus, and approaches?
- Approach to implementing the ES Framework in situations with capacity constraints, e.g., Fragile and Conflict-affected Situations (FCS), small states and emergency situations?



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THANK YOU

More information available at:

<http://consultations.worldbank.org/consultation/review-and-update-world-bank-safeguard-policies>