Bank Procedure

Environmental and Social Procedure

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DELIBERATIVE WORKING DRAFT

August 4, 2016
SECTION I – PURPOSE AND APPLICATION

1. This Procedure sets out the mandatory requirements for the implementation of the Environmental and Social Policy for Investment Project Financing.

2. This Procedure applies to the Bank.

SECTION II – DEFINITIONS AND ACRONYMS

3. As used in this Procedure, the capitalized terms or acronyms have the meanings set out below.

1) **Access to Information Policy**: the Bank’s Access to Information Policy, dated July 1, 2013, as amended from time to time.

2) **APESS**: the Accreditation Panel for Environmental and Social Standards of the Bank constituted of the Chief Environmental and Social Standards Officer (CESSO); the Director, GENDR; the Director, GSURR; and the LEGEN CC, with appropriate regional representation as determined by the CESSO.

3) **Bank**: IBRD and IDA.

4) **Board**: the Executive Directors of IBRD or IDA, or both, as applicable.

5) **Borrower**: the borrower or recipient of Bank financing for an investment project, and any other entity responsible for the implementation of the project.

6) **Borrower’s ES Framework**: the Borrower’s Environmental and Social Framework, as described in Section B of the Policy.

7) **CESSO**: the Chief Environmental and Social Standards Officer of the Bank.

8) **Directive**: the Bank Directive Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups.

9) **EHSGs**: the Environmental, Health and Safety Guidelines of the World Bank Group, dated April 30, 2007, as amended from time to time.

10) **ES**: Environmental and Social.

11) **ESCP**: the Environmental and Social Commitment Plan.
12) **ESF**: the Environmental and Social Framework of the Bank, dated ________, as may be amended from time to time, which consists of a Vision for Sustainable Development, the Environmental and Social Policy and the ten Environmental and Social Standards.

13) **Environmental and Social Policy for Investment Project Financing**: the Environmental and Social Policy of the Bank, dated _______, as amended from time to time.

14) **Environmental and Social Procedure**: the Environmental and Social Procedure of the Bank, dated _______, as amended from time to time.

15) **ESRC**: The Environmental and Social Risk Classification of a project as **High Risk, Substantial Risk, Moderate Risk or Low Risk** in accordance with Section VI.

16) **ESRS**: the Environmental and Social Review Summary, in the form required, as amended from time to time.

17) **ESS**: the Environmental and Social Standards of the Bank, dated ________, as amended from time to time.

18) **ESSA**: an Environmental and Social Standards Advisor (previously, the Regional Safeguards Advisor).

19) **ES Specialist**: an Environmental and/or Social Specialist of the Bank.

20) **ICR**: an Implementation Completion and Results Report.

21) **IPF**: Investment Project Financing, as defined under OP/BP 10.00.

22) **ISR**: Implementation Status and Results Report.

23) **GENDR**: Environmental and Natural Resources Global Practice.

24) **Global Practice Senior Director/Director**: the Senior Director or Director of a GP of the Bank.

25) **GP**: a Global Practice of the Bank.

26) **GRS**: the Grievance Redress Service of the Bank.

27) **GSURR**: Social, Urban, Rural and Resilience Development Global Practice.

28) **Legal agreement**: The legal agreement entered into between the Bank and the Borrower to provide Bank financing for the Borrower’s investment project.
29) **LEG**: the Legal Vice-Presidency of the Bank.

30) **LEGEN**: the Environment and International Law Unit of LEG.

31) **LEGEN CC**: Chief Counsel, LEGEN.

32) **Management**: the President or a Manager of the Bank, or some or all of these persons, as applicable.

33) **Manager**: a person identified as a manager in the Bank’s human resources system.

34) **Managing Director or MD**: the Managing Director and Chief Operating Officer of the Bank.

35) **OESRC**: the Operations Environmental and Social Review Committee of the Bank, which consists of the CESSO (Chair); the Manager, Environmental and Social Standards, OPCS; Global Leads for Safeguards/Standards from GENDR and GSURR; Director-level representation from key Global Practices involved in ES issues (such as GENDR, GSURR, GP Social Protection); LEGEN CC; ESSAs (as relevant); and Regional Director(s) of Strategy and Operations on a rotational basis (as relevant).


37) **PAD**: a Project Appraisal Document.

38) **President**: the President of the Bank.

39) **TL**: the Team Leader.

40) **TOR**: Terms of Reference for the relevant assessment to be used by the Borrower to assess potential risks and impacts of the project.

41) **TT**: the Task Team.

**SECTION III – SCOPE**

4. This Procedure applies to all projects subject to OP 10.00 on Investment Project Financing.

5. As set out in the Policy, paragraph 3, the responsibilities of the Bank to manage ES risks and impacts of a project are:

   a. undertake its own due diligence on the proposed project, proportionate to the nature and potential significance of the ES risks and impacts related to the project;
b. as and where required, support the Borrower in carrying out early and continuing engagement and meaningful consultation with stakeholders, in particular project-affected parties, and in providing project-based grievance mechanisms;

c. assist the Borrower in identifying appropriate methods and tools to assess and manage the potential ES risks and impacts of the project;

d. agree with the Borrower on the conditions under which the Bank is prepared to provide support to the project, as set out in the Environmental and Social Commitment Plan (ESCP); and

e. monitor the ES performance of the project in accordance with the ESCP and the ESSs.

SECTION IV – ROLES AND RESPONSIBILITIES [Text in brackets indicates language that is under development]

6. The management of ES risks and impacts within the Bank is carried out primarily by responsible officials in OPCS, the GPs (GENDR and GSURR), LEG (LEGEN), and members of the TT. Each of these officials, together with the relevant Bank staff, are responsible for carrying out the tasks set out in this Section.

7. [The CESSO has overall responsibility and accountability for general oversight of ESF implementation and, together with relevant Bank staff, carries out the following:

   a. advising on the application of the ESF;
   
   b. proposing amendments to, and leading any review and update of, the ESF;
   
   c. issuing guidance in relation to Bank safeguards and standards;
   
   d. monitoring the overall functioning of the ESF, including through thematic reviews, and reporting on its implementation and application to senior Management and the Board, including the due diligence process conducted by the Bank, and the formulation of measures to support such implementation;
   
   e. endorsing proposals for waivers to the provisions of the ESF for submission to MD for clearance and Board approval;
   
   f. approving proposals for waivers to the provisions of the Environmental and Social Procedure;
   
   g. ensuring central monitoring of ES-related grievances submitted through the GRS;]
h. managing the ESF accreditation process and clearing accreditation decisions;

i. overseeing design and implementation of knowledge management and learning activities of the ESF (including those related to capacity building of Borrowers), jointly with GPs and LEGEN; and

j. engaging with other multilateral and bilateral organizations and development agencies on environmental and social policy issues with the objective of enhancing co-operation and harmonization of Bank requirements relating to ES risks and impacts, including the ESF.

8. [The Director, GENDR and the Director, GSURR, are responsible and accountable for the implementation of the ESF and, together with relevant Bank staff, carries out the following:

a. developing and implementing processes for the effective implementation of the ESF, including planning and budgeting, programming deployment, monitoring and reporting on ESF-related project-level support;

b. providing oversight of ES issues during the project life-cycle;

c. allocating ES specialists and consultants to the TT and supervising them;

d. advising and assisting the TT on ES risks and impacts;

e. providing advisory support and monitoring to projects throughout the project life-cycle;

f. undertaking and assisting with portfolio reviews of ES performance;

g. providing specialized technical advisory services relating to the ESF; and

h. assisting with the development of Borrower capacity building strategies and implementation.]

9. [The LEGEN CC is responsible for and, together with relevant Bank staff, carries out the following:

a. providing advice on the ESF and ES risk-related guidance;

b. reviewing and clearing terms of reference for consultants being hired to carry out legal work with ES content; and

c. advising on the assessment of the Borrower’s ES Framework.]
10. [TT (including ESF Accredited Staff) are responsible and accountable for project-level preparation, implementation support and monitoring activities relating to the ESF, and carries out the following:

   a. Conducting project ES due diligence, and advising on appropriate ES mitigation measures;
   
   b. assisting the Borrower in the identification of relevant ES tools and instruments;
   
   c. carrying out ES-related implementation support and monitoring;
   
   d. promptly notifying the GPs responsible for the project, the relevant region and OPCS (ESSA and CESSO) of material adverse events or changes during project preparation and implementation;
   
   e. handling grievances related to implementation at the project level.]

11. [The OESRC has overall responsibility and accountability for reviewing and advising on ES issues of corporate relevance, including the following:

   a. at the request of any members of OESRC or senior Management at any time during the project life-cycle, providing advice and guidance on High Risk, sensitive or complex projects or issues, including those raising policy interpretation issues or of a controversial or innovative nature, regardless of the ESRC;
   
   b. requiring the TT to notify OESRC promptly of any significant event or change in the ES issues associated with a project, regardless of the ESRC, and where necessary providing advice and guidance as to how the event or issue is addressed; and
   
   c. providing support to the CESSO in advising on the application of the ESF, monitoring such application and advising on changes to the ESF.]

12. [The APESS is chaired by the CESSO and is responsible for:

   a. developing core competency requirements and setting professional standards for Bank staff to be accredited as ESF Accredited staff;
   
   b. operating the ESF Accreditation Process, including reviewing and recommending ESF Accreditation;
   
   c. maintaining and making available registers of ESF Accredited staff;
   
   d. providing advice and guidance on developing and maintaining core competencies and specializations; and]
 monitoring adequacy of resources and competencies to meet the requirements and support the integrity of the ESF.]

**SECTION V – SCREENING THE PROJECT**

13. The TL assembles a TT for the proposed project. An ES specialist is assigned by the relevant GP Managers to all projects. The experience and expertise of ES specialist assigned takes into account the potential risks and impacts of the project, including the type and scale of such risk and impacts and the context of the project.

14. The ESSA (a) reviews and advises on the type and scope of due diligence studies required for the project; and (b) decides on the ESRC for the project; and (c) advises whether the project should be retained for ESSA oversight or transferred to the relevant GPs.

15. The TT screens the proposed project to identify, with the available information, the key ES risks and impacts and capacity issues associated with the project. The initial screening of potential ES risks and impacts is based on an examination of the type, sector, location, sensitivity and scale of the proposed project, and the nature and magnitude of its potential ES risks and impacts.

16. The preliminary screening informs the initial ESRC, and the extent to which the Borrower’s ES Framework will be assessed. It also provides the basis for the TT to consider the type of ES assessment that is required, so that the risks and impacts, and any other issues that may arise, can be addressed effectively in project planning, design and implementation.

17. The TT reviews the capacity and commitment of the Borrower to develop and implement the project in accordance with the ESSs. The TT reviews the need, if any, for enhancement of the Borrower’s capacity to meet the requirements of the ESSs, particularly in respect of relevant baseline data and information, on-site training, institutional strengthening, and inter-institutional collaboration. The TT considers the need for capacity enhancement, including project components to strengthen capacity.

18. The TT undertakes an initial review of the Borrower’s ES Framework specific to the project upon Borrower request. (For further requirements, see Section IX.)

19. During the initial screening, the TT gathers sufficient information regarding the project to enable the TT to:

   a. identify key ES risks and impacts, and their nature and magnitude;

   b. propose aESRC;

   c. consider the most appropriate type of ES assessment to be conducted by the Borrower and the methods and tools to be used;
d. identify and assess details of the Borrower’s ES Framework and possible gaps;

e. propose a preliminary schedule for consultation with stakeholders; and

f. consider the type of ES due diligence that will be required of the Bank, and propose a preliminary ES due diligence schedule.

20. The TT discusses with the Borrower the information on the project, and the measures and actions that will be required for the Borrower to conduct ES assessment of the project, including the methods and tools to be used (as described in ESS1, Annex 1) and the type and timeframe for the preparation of specific instruments, including any ESS-specific plans.

21. If the potential ES risks and impacts of the proposed project are considered to be *High Risk* or *Substantial Risk*, the TT includes dedicated ES specialists. The type and level of expertise of the ES specialists reflects the type and level of risks and impacts of the project.

**SECTION VI – RISK CLASSIFICATION**

22. The ES specialists, together with the TL proposes an Environmental and Social Risk Classification (ESRC). The ESRC will be one of the four categories set out in this section, that is *High Risk, Substantial Risk, Moderate Risk* or *Low Risk*. The ESSA reviews and clears the ESRC. The ESRC is imported into the SORT. Where there are differences of opinion over the ESRC, the CESSO advises Management on the appropriate ESRC. The ESRC for the project is amended as appropriate.

23. The ESRC is used by the Bank as a tool to review and monitor the ES performance of a project on a regular basis throughout the project life-cycle. The Bank allocates its resources, and provides corporate oversight and implementation support to a project, in accordance with the ESRC of the project. The ESRC is intended to ensure that:

   a. the Bank has accurate and up to date information regarding the status of the project, including issues that could affect the ES performance and outcomes of the project; and

   b. the Borrower dedicates sufficient resources, and is provided with targeted implementation support, to support the implementation of the commitments set out in the legal agreement, including the ESCP.

24. The Bank takes the necessary steps to ensure that the ESRC of the project is based on accurate and up to date information, and is made in accordance with the ES Policy and this Procedure.

25. The Bank classifies a project as *High Risk, Substantial Risk, Moderate Risk* or *Low Risk* taking into account all relevant potential risks and impacts, including the following:
a. the type, location, sensitivity and scale of the project including, inter alia, the physical considerations of the project; type of infrastructure (e.g., dams and reservoirs, power plants, airports, major roads); volume of hazardous waste management and disposal, geographical area of influence;

b. the nature and magnitude of the potential ES risks and impacts, including, inter alia, impacts on greenfield sites; impacts on brownfield sites including (e.g., rehabilitation, maintenance or upgrading activities); the nature of the potential risks and impacts (e.g. whether they are irreversible, unprecedented or complex); resettlement activities; presence of Indigenous Peoples; and possible mitigation measures considering the mitigation hierarchy;

c. the capacity and commitment of the Borrower to manage such risks and impacts in a manner consistent with the ESSs, including, inter alia, the country’s policy, legal and institutional framework; laws, regulations, rules and procedures applicable to the project sector, including regional and local requirements; the technical and institutional capacity of the Borrower; the Borrower’s track record of past project implementation; and the financial and human resources available for management of the project;

d. other areas of risk that may be relevant to the delivery of ES mitigation measures and outcomes, depending on the specific project and the context in which it is being developed, including, inter alia, the nature of the mitigation and technology being proposed, considerations relating to domestic and/or regional stability, conflict or security.

26. The Bank classifies a project as **High Risk** after considering, in an integrated manner, the risks and impacts of the project, and determining the following:

a. the project is likely to generate a wide range of significant adverse risks and impacts on human populations or the environment. This could be because of the complex nature of the project, the scale (large to very large) or the sensitivity of the location(s) of the project. This would take into account whether the potential risks and impacts associated with the project have the majority or all of the following characteristics:

   (i) long term, permanent and/or irreversible (e.g., loss of major natural habitat or conversion of wetland), and impossible to avoid entirely due to the nature of the project;

   (ii) high in magnitude and/or in spatial extent (the geographical area or size of the population likely to be affected is large to very large);

   (iii) significant adverse cumulative impact;
(iv) significant adverse transboundary impacts and;

(v) a high probability of serious adverse effects to human health and/or the environment (e.g., due to accidents, toxic waste disposal, etc.);

b. the area likely to be affected is of high value and sensitivity, for example sensitive and valuable ecosystems and habitats (protected areas, National Parks, World Heritage Sites, Important Bird Areas), lands or rights of Indigenous Peoples or other vulnerable minorities, intensive or complex involuntary resettlement or land acquisition, impacts on cultural heritage or densely populated urban areas;

c. some of the significant adverse ES risk and impacts of the project cannot be mitigated or specific mitigation measures require complex and/or unproven mitigation, compensatory measures or technology, or sophisticated social analysis and implementation;

d. there are significant concerns that the adverse social impacts of the project, and the associated mitigation measures, may give rise to significant social conflict or harm or significant risks to human security;

e. there is a history of unrest in the area of the project or the sector, and there may be significant concerns regarding the activities of security forces;

f. the project is being developed in a legal or regulatory environment where there is significant uncertainty or conflict as to jurisdiction of competing agencies, or where the legislation or regulations do not adequately address the risks and impacts of complex projects, or changes to applicable legislation are being made, or enforcement is weak;

g. the past experience of the Borrower and the implementing agencies in developing complex projects project is limited, their track record regarding ES issues would present significant challenges or concerns given the nature of the project’s potential risks and impacts;

h. there are significant concerns related to the capacity and commitment for, and track record of relevant project parties, in relation to stakeholder engagement;

i. there are a number of factors outside the control of the project that could have a significant impact on the ES performance and outcomes of the project.

27. The Bank classifies a project as **Substantial Risk** after considering, in an integrated manner, the risks and impacts of the project, and determining the following:

a. the project may not be as complex as **High Risk** projects, its ES scale and impact may be smaller (large to medium) and the location may not be in such a sensitive
area. This would take into account whether the potential risks and impacts have the majority or all of the following characteristics;

b. they are mostly temporary, predictable and/or reversible, and the nature of the project does not preclude the possibility of avoiding or reversing them (although substantial investment and time may be required);

c. there are concerns that the adverse social impacts of the project, and the associated mitigation measures, may give rise to a limited degree of social conflict, harm or risks to human security;

d. they are medium in magnitude and/or in spatial extent (the geographical area and size of the population likely to be affected are medium to large);

e. the potential for cumulative and/or transboundary impacts may exist, but they are less severe and more readily avoided or mitigated than for High Risk projects;

f. there is medium to low probability of serious adverse effects to human health and/or the environment (e.g., due to accidents, toxic waste disposal, etc.), and there are known and reliable mechanisms available to prevent or minimize such incidents;

g. the effects of the project on areas of high value or sensitivity will be lower than High Risk projects;

h. mitigatory and/or compensatory measures may be designed more readily and be more reliable than those of High Risk projects.

i. the project is being developed in a legal or regulatory environment where there is uncertainty or conflict as to jurisdiction of competing agencies, or where the legislation or regulations do not adequately address the risks and impacts of complex projects, or changes to applicable legislation are being made, or enforcement is weak.

j. the past experience of the Borrower and the implementing agencies in developing complex projects project is limited in some respects, and their track record regarding ES issues suggests some concerns which can be readily addressed through implementation support.

k. There are some concerns over capacity and experience in managing stakeholder engagement but these could be readily addressed through implementation support.

28. The Bank classifies a project as Moderate Risk after considering, in an integrated manner, the risks and impacts of the project, and determining the following:
a. The potential adverse risks and impacts on human populations and/or the environment are not likely to be significant. This is because the project is not complex and/or large, does not involve activities that have a high potential for harming people or the environment, and is located away from environmentally or socially sensitive areas. As such, the potential risks and impacts and issues are likely to have the following characteristics:

(i) predictable and expected to be temporary and/or reversible;
(ii) low in magnitude;
(iii) site-specific, without likelihood of impacts beyond the actual footprint of the project;
(iv) low probability of serious adverse effects to human health and/or the environment (e.g., do not involve use or disposal of toxic materials, routine safety precautions are expected to be sufficient to prevent accidents, etc.).

b. Risks and impacts can be easily mitigated in a predictable manner.

29. The Bank classifies a project as **Low Risk** if its potential adverse risks to and impacts on human populations and/or the environment are likely to be minimal or negligible. These projects, with few or no adverse risks and impacts and issues, do not require further ES assessment following the initial screening.

30. The Bank reviews the ESRC on a regular basis throughout the project life-cycle in order to ensure that it continues to reflect accurately the level of risk the project presents. In particular, the Bank takes into account risks or impacts of the project that were not foreseen or anticipated; changes to the Borrower ES Framework; the ongoing ES performance of the project; the commitment of the Borrower; and the information contained in the following to assess whether the ESRC continues to be appropriate:

a. the ESCP implementation reports;

b. the annual monitoring report; and

c. the ISR.

**SECTION VII – SUPPORT FOR ENVIRONMENTAL AND SOCIAL ASSESSMENT**

31. The Bank advises the Borrower on carrying out the ES assessment of the project in accordance with the requirements of ESS1.

32. The Bank assists the Borrower in determining the process to be followed, and the different methods and tools to be used by the Borrower to carry out the ES assessment and to document the results of such assessment. These are described in general terms in ESS1, Annex 1. Guidance, including templates and checklists, will provide further clarification and
will be amended from time to time. The assessment assesses the ES risks of the project throughout the project life-cycle, and identifies appropriate mitigation measures.

33. As necessary, the Bank assists the Borrower in preparing the TORs for any tools (including those required by specific ESSs) to be used as part of the ES assessment, ensuring that the TORs reflect the need for adequate inter-agency coordination and consultation with stakeholders.

34. Bank staff may assist Borrowers in carrying out Greenhouse Gas estimates for projects, where capacity is lacking, for example, in FCS and IDA projects. Further information is provided in Guidance.

SECTION VIII – BANK DUE DILIGENCE

35. The Bank carries out ES due diligence of all proposed projects, including as required by OP/BP 10.00. The ES due diligence is appropriate to the nature and scale of the project, and proportionate to the level of ES risks and impacts.

36. The Bank’s ES due diligence assesses whether the project is capable of being developed and implemented in accordance with the ESSs or, where the Bank is relying on the Borrower’s ES Framework for all or part of the project, whether the project is able to achieve objectives materially consistent with the ESSs.

37. The Bank reviews all relevant project information and documents provided by the Borrower. If the Bank has insufficient information to conduct its due diligence, it requests additional and relevant information from the Borrower.

38. Where a project poses specific risks and impacts to individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable, the TT will approach such risks and impacts in accordance with Bank Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups.

39. If a project is classified by the Bank as High Risk or Substantial Risk, the Bank’s due diligence includes site visits by an environmental and/or social specialist, as appropriate. The ESSA provides advice, guidance and clearance during project preparation, and during implementation for High Risk and, where considered appropriate, Substantial Risk projects.

40. In particular, as part of the Bank’s due diligence, the Bank:

   a. reviews relevant aspects of the ES assessment with the Borrower;

   b. assesses the adequacy of the institutions responsible for management of ES risks and impacts;
c. discusses and agrees with the Borrower on the adequacy of financing arrangements for the measures and actions set out in the legal agreement, including the ESCP;

d. determines whether the recommendations of the ES assessment are properly addressed in project design;

e. discusses with the Borrower the measures and actions and a completion date for such measures and actions to be included in the ESCP; and

f. reviews the Borrower’s ES Framework and time table for gap filling measures, if applicable.

41. Based on the results of the Bank’s due diligence, the Bank:

a. confirms or revises the ESRC of the project;

b. agrees with the Borrower on the measures and actions and a completion date for such measures and actions to be included in the legal agreement, including the ESCP;

c. ensures that the ESCP is attached to legal agreement and that the legal agreement takes into account the findings of the ES assessment, the Bank’s ES due diligence, and the results of engagement with stakeholders;

d. includes ES-related covenants in the legal agreement, and in the monitoring system for the project; and

e. prepares the Environmental and Social Review Summary (ESRS).

42. The ESRS sets out an accurate and comprehensive record of the Bank’s due diligence of the project, and includes the following:

a. an accurate description of the project and any Associated Facilities (as defined in ESS1);

b. a description of the key potential ES risks and impacts of the project;

c. the sources of information on which the Bank’s due diligence and the ESRS has been based;

d. a discussion of the key ES risks and impacts by reference to the relevant ESS, and the proposed mitigation measures; and

e. a summary of the key measures and actions agreed to in the legal agreement, including the ESCP, together with timeframes for implementation.
43. Where a project involves subprojects, the Bank agrees and documents arrangements with the Borrower to ensure that the implementing institutions will be able to carry out or oversee the ES assessment of proposed subprojects and/or conduct appropriate due diligence, and that an appropriate division of responsibilities is agreed upon and the required expertise is made available.

SECTION IX – BORROWER’S ES FRAMEWORK

44. In accordance with Section B of the Policy, the Bank and Borrower consider whether to use all, or part, of the Borrower’s ES Framework in the assessment, development and implementation of a project supported by the Bank. The approach and methodology outlined in this Procedure supports the use of the Borrower’s ES Framework when appropriate.

45. If the Bank and the Borrower propose to use the Borrower’s ES Framework, the Bank conducts an assessment of the relevant aspects of the Borrower’s ES Framework. The review conducted by the Bank will assess the extent to which such use is likely to address the environmental and social risks and impacts of the project, and enable the project to achieve objectives materially consistent with the ESSs.

46. As part of the assessment, the Bank considers whether such use will result in an environmental and social assessment of the project which properly identifies the material risks and impacts of the project and supports the design and implementation of mitigation measures consistent with the mitigation hierarchy set out in ESS1 and, as relevant, in the ESSs. Depending on the significance of specific risks and impacts of the project, the assessment of the Borrower’s ES Framework may include an evaluation of specific aspects of the Borrower’s ES Framework against the relevant requirements of the ESSs. The assessment is carried out only where there is a reasonable likelihood that the specified aspects could be utilized, in accordance with the requirement of paragraph 45.

47. The Concept ESRS (or other similar document) records the Bank’s intention to conduct the assessment, and provides details of the aspects of the Borrower’s ES Framework that are being considered for use in the project, together with a summary of any preliminary information available.

48. The scope of assessment, and the aspects of the Borrower’s ES Framework to be reviewed, will vary from project to project, depending on factors relevant to the project including the type, scale and complexity of the project and the potential environmental and social risks and impacts of the project (including, but not limited to, those identified in the ESSs).

49. The Bank’s assessment of the Borrower’s ES Framework will include a review of:
a. the country’s general policy, legal and institutional framework, as these are relevant to the specific ES risks and impacts of the project;

b. laws, regulations, rules and procedures (including permits and approval requirements) applicable to the project’s sector, including regional and local requirements that are relevant to the ES 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. previous experience with the Bank or other IFIs and the track record of the Borrower and the national, subnational, sectoral and local institutions involved in the preparation and/or implementation of the project; and

e. technical and institutional capacity of the Borrower and relevant national, subnational or sectoral implementing institutions or agencies related to the project, as these are relevant to the ES risks and impacts of the project.

50. As part of the assessment, the Bank conducts consultations with relevant stakeholders. The aim of these consultations is to inform the Bank’s assessment of the Borrower’s ES Framework and the design of measures and actions to address any gaps that may be identified.

51. Where, in the context of other projects, the Bank has already conducted an assessment of aspects of the Borrower’s ES Framework relevant to the proposed project or 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 assessments into account, providing the assessments are recent, pertinent to the project under preparation and the Bank is not aware of any material change to the conclusions reached.

52. In reviewing the Borrower’s ES Framework, the Bank:

   a. assesses whether use of the Borrower’s ES Framework, or aspects thereof, is likely to address the environmental and social risks and impacts of the project, and enable the project to achieve objectives materially consistent with the ESSs;

   b. identifies gaps in the Borrower’s ES Framework that would prevent the project from achieving objectives materially consistent with the ESSs;

   c. identifies project-specific actions and measures to fill the identified gaps;

   d. identifies gaps in the Borrower’s ES Framework for which there are no feasible project-specific actions and measures; and
53. The Bank works with the Borrower to agree on project-specific measures and actions to address the identified gaps in the Borrower’s ES Framework. The Bank ensures that the ESCP incorporates such measures and actions, as well as the agreed timeframes and all the relevant information to ensure the implementation of these actions and measures.

54. Following completion of the assessment, the CESSO decides on use of all, or part, of the Borrower’s ES Framework. The decision is documented in the Project Appraisal Document, which:

   a. summarizes the conclusions of the evaluation conducted by the Bank;

   b. specifies the aspects of the Borrower’s ES Framework that will be used in the assessment, development and implementation of the project; and

   c. specifies the measures and actions agreed by the Borrower to address identified gaps.

55. The Bank may also recommend not using the Borrower’ ES Framework. This may be appropriate in such cases where, *inter alia*, the project is complex and *High Risk*; capacity and institutional aspects are limited; the context is one of fragility and/or conflict; or gaps have been identified for which no project-specific actions and measures are feasible or the identified measures and actions are unlikely to be implemented.

56. Bank staff monitor the application of the Borrower’s ES Framework to the project, the Borrower’s implementation and enforcement practices, track record and capacity in accordance with the Bank’s review and the project-specific measures and actions identified in the ESCP, for the duration of the project.

57. Where the Bank becomes aware of a change in the Borrower’s ES Framework that may materially adversely affect the project, the Bank assesses the extent to which the change is inconsistent with the ESSs and the ESCP and discusses with the Borrower ways to address the change, and agree on any additional actions and measures that may be required.

**SECTION X – OTHER MULTILATERAL OR BILATERAL FUNDING AGENCIES**

58. Where the Bank has agreed:

   a. on a common approach for the assessment and management of ES risks and impacts of a project or Associated Facilities;

   b. to apply the requirements of other multilateral or bilateral funding agencies for the assessment and management of ES risks and impacts of a project involving an FI; or
c. to apply the requirements of other multilateral or bilateral funding agencies for the assessment and management of ES risks and impacts of a project involving Associated Facilities;

the Bank records this agreement in the legal agreement, including the ESCP, and in the PAD.

59. In determining whether the common approach or the requirements referred to in paragraph 58 are acceptable, the TT takes into account the policies, standards and implementation procedures of the multilateral or bilateral funding agencies.

60. Where the Bank has agreed to apply a common approach or rely on the requirements of other agencies, the Bank may choose to rely on the ES due diligence, supervision and implementation support conducted by such agencies.

61. If the Bank chooses to rely on the activities of other agencies for preparation or implementation support, the Bank concludes written arrangements with such agencies and the Borrower, so that the Bank is kept adequately informed on an ongoing basis of:

   a. the status of the project’s compliance with the agreed ES requirements;

   b. any material changes to the agencies’ ES policies and procedures; and

   c. the material consistency of the implementation of the proposed project with the objectives of the ESSs.

62. The measures and actions that have been agreed with such agencies and the Borrower are included in the legal agreement, including the ESCP.

SECTION XI – MONITORING AND IMPLEMENTATION SUPPORT

63. In accordance with OP/BP 10.00, the Bank carries out regular reviews of the Borrower’s compliance with the ES requirements relating to the project, as set out in the legal agreement, including the ESCP. Review activities are appropriate to the type and scope of the requirements, and include:

   a. reviewing monitoring reports;

   b. conducting monitoring site visits;

   c. reviewing project-related information that becomes available;

   d. reviewing the Borrower’s compliance with ES requirements, including covenants, disbursement conditions prior to all disbursements, and the ESCP;

   e. advising the Borrower on how to manage ES project issues; and
f. communicating risks and probable consequences of Borrower failure to comply with the ES requirements, and initiating remedies if the Borrower fails to (re)establish compliance.

**SECTION XII – DISCLOSURE**

64. The Bank applies the World Bank Policy on Access to Information with regard to all documents provided to it by the Borrower.

65. The TT requires that sufficient information about the potential risks and impacts of the project is made available by the Borrower in a timely manner, in an accessible place, and in a form and language understandable to project-affected people and other interested parties, as set out in ESS10, so they can provide meaningful input into project design and mitigation measures.

66. At Concept Review, the TT discloses, in the Concept ESRS (or other similar document) information on the type and scope of the proposed project, its potential risks and impacts, the ESRC, the type of environmental and social assessment to be conducted and information on the provisional timeframe for conduct of the assessment. This includes any preliminary information on the identity of stakeholders, and the nature of stakeholder engagement.

67. Before the Bank commences Appraisal, the Bank and the Borrower disclose draft documentation relating to the environmental and social assessment of the project. The draft documentation identifies and considers, in adequate detail, the key environmental and social risks and impacts of the project. It provides accurate and relevant information about such risks and impacts, including a summary of key findings and proposed mitigation measures. Where aspects of the draft documentation are to be developed at a later stage, the draft documentation includes an outline of what will be done, including any studies or assessment to be completed, and this will be recorded in the ESCP.

68. Where the ESRC for the project is High Risk or Substantial Risk, draft documentation may include the instruments that have been identified by the Borrower in accordance with paragraph 32, reflecting the methods and tools set out in ESS1, Annex 1 (such as an ESIA, ESMP, ES Audit, ESMF, Resettlement Plan or Indigenous Peoples Plan). As relevant, the draft documentation includes the following information:

   a. a description of the project and the proposed project activities;

   b. the rationale for the project;

   c. the key results of the scoping of the project;
d. the aspects of the Borrower’s ES Framework that will be utilized in the project (including where relevant, the permitting requirements of the Borrower);

e. information regarding the environmental and social baseline, including information on data gaps, the significance of these gaps for decision-making and how these gaps will be addressed;

f. the nature of the potential risks and Impacts of the project, together with an assessment of their significance;

g. methods of mitigation in line with the mitigation hierarchy;

h. the way in which the impacts of the project and the implementation of mitigation measures will be monitored.

69. Notwithstanding the above, the TT may propose, subject to the approval of the ESSA, that certain studies or mitigation plans are prepared after Board approval. The Bank discloses such details in the Project Appraisal Document and the Appraisal ESRS (or other similar document). This will include, where possible, the following information:

   a. the objectives and proposed content of the document;

   b. the rationale for the timing of preparation;

   c. the estimated cost associated with preparation and implementation of the document; and

   d. the source of funding, the arrangements for preparation and the timing for completing the document.

70. During implementation, the TT will disclose any changes to the ESRC and updated or final versions of ES documentation.

SECTION XIII – PROJECT DOCUMENTS

71. The TT ensures that the documents relating to the ES assessment and management of the project provide adequate, accurate and up to date information regarding the potential risks and impacts of the project, and the agreed mitigation measures.

72. The Bank summarizes in the PAD material information relating to the assessment and management of the ES risks and impacts of the project, including:
a. key features of the project and any Associated Facilities;
b. the potential ES risks and impacts;
c. the reasons for the ESRC;
d. the type of ES assessment conducted, and the tools used;
e. any information required pursuant to paragraph 69;
f. any potential risks and impacts that require specific attention, including those addressed by ESS2-ESS9;
g. key mitigation measures and actions;
h. the feasibility of the proposed measures and actions, and the risks associated with implementation;
i. details of consultations with stakeholders, including project-affected parties, including the issues raised and how they have been taken into account;
j. institutional arrangements, timetable, budget, including adequate and timely provision of counterpart funds, and performance monitoring indicators;
k. details of the ES requirements of the legal agreement, including the ESCP, including the timeframe and manner agreed with the Borrower for implementation of relevant measures and actions; and
l. details of the ES representations, conditions and covenants.

73. The TT includes an updated ESRS and ESCP as attachments to the PAD.

SECTION XIV – WAIVER

The provisions of this Procedure may be waived in accordance with the Waiver Policy and Procedure.

SECTION XV – EFFECTIVE DATE

This Procedure is effective [insert date].

SECTION XVI – ISSUER

The Issuer of this Procedure is [OPCS VP].
SECTION XVII – SPONSOR

The Sponsor of this Procedure is [CESSO]. Questions regarding this Procedure should be addressed to the Sponsor.

SECTION XVIII – RELATED DOCUMENTS

The World Bank Access to Information Policy

Operational Policy and Bank Procedures (OP/BP) 10.00, Investment Project Financing

Operational Policy and Bank Procedures (OP/BP) 4.03, Performance Standards for Private Sector Activities

Operational Policy and Bank Procedures (OP/BP) 7.50, Projects on International Waterways

Operational Policy and Bank Procedures (OP/BP) 7.60, Projects in Disputed Territories

Operational Policy Waivers

The World Bank Group Environmental, Health and Safety Guidelines (EHSGs)