Review and Update of the World Bank’s Environmental and Social Safeguard Policies
Phase 2 Consultations – Feedback Summary

Date: 8 December 2014
Location: Beijing, China
Audience: Government Officials, and Project Management Offices

Overview and Key Issues Discussed:

Specific Feedback from Stakeholders

1. General Comments

Comments

- Participants commended the Bank on the new proposed framework which they said is consistent with China’s environmental and social laws and regulations. Participants also mentioned that China has developed its standards to a very high level over the past 30 years, and therefore there are no inconsistencies between China’s and the World Bank’s principles.

- A participant said the proposed standards are too detailed especially on the subject of compensation.

- Participants invited the Bank to conduct a comparative study which would compare the World Bank’s EIA and China’s EIA. They stressed that this is an important exercise in order to avoid overlapping of requirements.

Recommendations

- A participant pointed out that the framework provides the concept that will help the Bank promote sustainable development, reduce environment and social risk and protect vulnerable groups. The framework lays out an important basis for the Bank to achieve its twin goals of reducing poverty and boosting shared prosperity. The participant stressed that the Bank, together with China, has achieved great accomplishments and that China’s successful practices can be introduced to other countries through the World Bank. China is preparing for the establishment of the AIIB, and wants to learn from the World Bank and other international best practices. The participant encouraged the Bank to give due attention to the implementability of the policies throughout the life cycle of a project, and to improvements in efficiency in project development. It is important that the reform is well aligned with the development state of the Borrower countries, their context, their own laws and regulations, to ensure implementability on the ground. The participant encouraged the Bank to make use of the country’s own environmental and social policies and use Bank financed projects as a platform to further help the country’s own framework and management system. The Bank should constantly carry out policy reviews to hear views from the Borrower countries and to make timely adjustment and reduce any hidden costs that may affect the preparation and implementation of Bank projects.

- Participants urged the Bank to align its safeguards policies with the Borrower’s legislative framework, country context and development stage. The Bank should give due attention to the implementability of the safeguards policies during the life cycle of projects in order to
Specific Feedback from Stakeholders

- improve efficiency and outcomes as well as ensure implementability of the policies on the ground.
- In the proposed Framework, there should be further differentiation on the country and project level.
- Participants encouraged the Bank to make the procedures available during the consultation phase of the safeguards review process.

2. A Vision for Sustainable Development

3. World Bank Environmental and Social Policy

Comments
- Participants stressed that project management throughout the project cycle is crucial to improve efficiency.

Recommendations
- The Bank should strengthen capacity building and provide financial support to help countries in implementation.

4. Environmental and Social Standard 1 (ESS1): Assessment and Management of Environmental and Social Risks and Impacts

Comments
- The risk categorization system of the World Bank is different from that of China. This creates conflict, increases burden and delays implementation. There tends to be a recurrent situation where a project that is classified as ‘B’ according to China’s EIA could be classified as ‘A’ according to the Bank’s EIA.
- The requirement to comply with World Bank standards might increase the cost burden on the Borrower, especially for countries with low capacity. The participant questioned how this will be tackled.

Clarifications
- In China, environmental and social assessments are two separate systems which are not combined during implementation of projects. Participants strongly urged the Bank to clearly differentiate between them in the Framework.

Recommendations
- Participants recommended the Bank to conduct thorough evaluation of the Borrower’s legislative system, identify differences and help improve their systems.
- In the event a dispute takes place between the Borrower and the World Bank during risk categorization, participants suggested a third party committee be put in place to help reach a consensus to prevent project cancellation.

5. Environmental and Social Standard 2 (ESS2): Labor and Working Conditions

Comments
- Participants welcomed the inclusion of a labor standard in the new framework.

Clarifications
- A participant sought clarification on the next steps the World Bank is planning with ILO on the two core labor standards that are not addressed in the Framework, namely Collective Bargaining and Associated Facilities. The participant explained that China has made progress on trade unions and is considering signing collective bargaining.
### Specific Feedback from Stakeholders

- A participant asked if ESS2, more specifically paragraph 3, covers contract workers and outsourced workers. If such is not the case, the participant asked how their rights can be protected under Bank projects.

**Recommendations**
- A participant sought clarification on civil servants and the rationale behind excluding them under ESS2, more specifically in paragraph 4. The participant recommended applying ESS2 to government workers.
- A participant recommended changing the wording in paragraph 11 in ESS2 to “trade union organization” to be in line with the ILO language.

### 6. Environmental and Social Standard 3 (ESS3): Resource Efficiency and Pollution Prevention

**Clarifications**
- A participant sought clarification on climate change and biodiversity and requested the Bank to clarify whether this will be simpler in the new framework compared to the current safeguards policies.

### 7. Environmental and Social Standard 4 (ESS4): Community Health and Safety

### 8. Environmental and Social Standard 5 (ESS5): Land Acquisition, Restriction on Land Use and Involuntary Resettlement

**Comments**
- A participant welcomed ESS5 which the participant said is consistent with the Chinese Ministry of land resources’ laws and regulations.


### 10. Environmental and Social Standard 7 (ESS7): Indigenous Peoples

**Clarifications**
- A participant sought clarification on the definition of the term ‘Indigenous’. The participant pointed out that there are many provinces and ethnic groups in China which makes the term ‘Indigenous peoples’ not suitable, because almost all Chinese are indigenous. This makes it difficult to identify them according to the Bank’s Indigenous Peoples plan. The participant explained that China has many more adequate laws to protect such Chinese groups that are identified as ethnic minorities.

**Recommendations**
- Chinese policies are effective in protecting the rights of ethnic minorities, which are also appreciated by Chinese ethnic groups. The Bank should take a step further to help China promote economic and sustainable development of IPs by linking both policies on the protection of ethnic minorities.

### 11. Environmental and Social Standard 8 (ESS8): Cultural Heritage

**Recommendations**
- Paragraph 8 of ESS8, is too detailed and has very stringent requirements, but it fails to identify the regulations of the Borrower country. The participant suggested strengthening the paragraph by linking internationally recognized principles with national requirements.
## Specific Feedback from Stakeholders

- A participant requested that the source of the definition of ‘Archaeological Sites’ in paragraph 17 and ‘Historical Structures’ in paragraph 20 be provided.
- The ESS should include a definition on ecological remains. The participant further mentioned that China also has its own definition on cultural heritage which the Bank should consider linking with.
- A participant recommended the use of the term “valorization” of tangible cultural heritage, which better reflects the historical value of intangible cultural heritage.

### 12. Environmental and Social Standard 9 (ESS9): Financial Intermediaries

**Clarifications**

- A participant sought clarification on how ESS9 would apply, where a Bank loan to a financial intermediary will not be traced to a specific project. The participant further sought clarification on fungible vs. non-fungible financing and where that applies.

### 13. Environmental and Social Standard 10 (ESS10): Information Disclosure and Stakeholder Engagement

**Comments**

- Chinese EIA requires public stakeholder involvement in public, which can be conducted within both environmental and social assessment.