



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

Date: February 15, 2016

Location: Tegucigalpa, Honduras

Audience: Government and implementing agencies

ESF	Issue	Items	Feedback
Vision	Human Rights	1. Approach to human rights in the ESF	
ESP/ ESS1	Non-discrimination and vulnerable groups	2. 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) 3. Specific aspects of the non-discrimination principle in complex social and political contexts, including where recognition of certain groups is not in accordance with national law	<ul style="list-style-type: none"> Clarification was sought on criteria used for identifying vulnerable groups.
	Use of Borrower's Environmental and Social Framework	4. 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) 5. Approach for making decision on the use of Borrower frameworks, including the	<ul style="list-style-type: none"> The scope and requirements of the national framework on environment are overall consistent with the proposed ESF. However, there are shortcomings and inconsistencies in the implementation of enforcement of certain national environmental legislation, such as legislation on protected areas. This relates with institutional capacity that is still low and should be addressed. There is a lot of focus on project based work,

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		<p>methodology for assessing where frameworks will allow projects to achieve objectives materially consistent with the ESSs, and the exercise of Bank discretion</p> <p>6. Role of Borrower frameworks in high and substantial risk projects</p>	<p>but not sufficient attention is being paid to institutional strengthening.</p> <ul style="list-style-type: none"> • The social aspects of the proposed ESF are not as well reflected in the national law or procedures and additional effort and capacity would be required for the Government to deal with those new social requirements, such as disability, child labor, disadvantaged groups, gender, labor conditions, risk analysis, etc. • The elaboration of monitoring reports on E&S and supervision and enforcement of contractors' E&S obligations was identified as a challenging issue due to the difficulty of reflecting appropriately E&S obligations in contractors' contracts and, also, lack of coordination between different specialists in project management units. Clearly defined contractual penalties associated with compliance with E&S (e.g. withdrawing payment) was identified as a good practice. • The term "partial use of the national legislation" was considered confusing.
	Co-financing/ common approach	7. Arrangements on E&S standards in co-financing situations where the co-financier's standards are different from those of the Bank	
	Adaptive risk management	8. Approach to monitoring E&S compliance and changes to the project during implementation	
	Risk classification	9. Approach to determining and reviewing the risk level of a project	
ESS1	Assessment and management of environmental and social risks and impacts	<p>10. Assessment and nature of cumulative and indirect impacts to be taken into account</p> <p>11. Treatment of cumulative and indirect impacts when identified in the assessment of the project</p>	

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		<p>12. Establishing project boundaries and the applicability of the ESSs to Associated Facilities, contractors, primary suppliers, FI subprojects and directly funded sub-projects</p> <p>13. Circumstances under which the Bank will determine whether the Borrower will be required to retain independent third party specialists</p>	
	Environmental and Social Commitment Plan (ESCP)	14. Legal standing of the ESCP and implications of changes to the ESCP as part of the legal agreement	<ul style="list-style-type: none"> • It was stated that better instruments are needed to secure a shared understanding on and a more prominent stand for environmental and social aspects in investment projects, including in rural development with small-scale productive investments.
ESS2	Labor and working conditions	<p>15. Definition and necessity of and requirements for managing labor employed by certain third parties (brokers, agents and intermediaries)</p> <p>16. Application and implementation impacts of certain labor requirements to contractors, community and voluntary labor and primary suppliers</p> <p>17. Constraints in making grievance mechanisms available to all project workers</p> <p>18. Referencing national law in the objective of supporting freedom of association and collective bargaining</p> <p>19. Operationalization of an alternative mechanism relating to freedom of association and collective bargaining where national law does not recognize such rights</p> <p>20. Issues in operationalizing the Occupational Health and Safety (OHS) provisions/standards</p>	<ul style="list-style-type: none"> • ESS2 represents a significant change in the way projects are prepared and implemented in Honduras. • One of the major challenges for projects will be on how to ensure compliance with the requirements of ESS2 by including appropriate language in contractors' contracts, through incentives or penalties. • It was commented that compliance with the basic OHS standards e.g. in terms of use of personal protective equipment is quite well covered, but it is not a common practice in Honduras to e.g. check workers' ages.

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ESS3	Climate change and GHG emissions	<p>21. The relation between provisions on climate change in the ESF and broader climate change commitments, specifically UNFCCC</p> <p>22. 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</p> <p>23. Implications required for the Borrower of estimating and reducing GHG emissions for Bank projects, in line with the proposed standard</p>	<ul style="list-style-type: none"> • For countries such as Honduras and particularly areas as the Central American dry corridor that face increasing climate change impacts (e.g. drought and flooding related vulnerability) and other contributing challenges such as migration and aging of the population, it will be critical to work on issues like food security and include estimates on related cost factors and adaptability already in project design to define measures that will generate synergies between climate change mitigation and adaptation, as well as environmental and social benefits. • The country requires analysis on climate-smart technologies that allow better balance between development, environmental impacts and effective implementation. More analysis is needed on the most appropriate technologies, taking into account different types of related barriers (legal, social, etc.) as well as the financial and technical capacity to implement them. • Promoting inter-agency coordination and collaboration with civil society and donors was proposed to integrate analysis on project related climate vulnerability and overall sustainability to improve the results of public investments.
ESS5	Land acquisition and involuntary resettlement	<p>24. Treatment and rights of informal occupants and approach to forced evictions in situations unrelated to land acquisitions</p> <p>25. Interpretation of the concept of resettlement as a “development opportunity” in different project circumstances</p>	<ul style="list-style-type: none"> • It was considered very helpful to include the resettlement costs within the project costs. Said costs have been a bottleneck in project implementation since they are frequently under-budgeted, because of uncertain identification of the objective population and the scope of the intervention. Some concerns were expressed about the unclear magnitude of the direct and indirect effects of the social and environmental intervention • Concerns were expressed in relation to informal occupants who move in to/invoke a project area during project implementation in order to demand compensation and assistance.

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ESS6	Biodiversity	26. Operationalization of the provisions on primary suppliers and ecosystem services, especially in situation with low capacity 27. Role of national law with regard to protecting and conserving natural and critical habitats 28. Criteria for biodiversity offsets, including consideration of project benefits 29. Definition and application of net gains for biodiversity	<ul style="list-style-type: none"> • It was recommended that the wording on ESS6 for protected areas be changed/improved to allow for the recognition of other related protection schemes.
ESS7	Indigenous Peoples	30. Implementation of the Indigenous Peoples standard in complex political and cultural contexts 31. Implementation of ESS7 in countries where the constitution does not acknowledge Indigenous Peoples or only recognizes certain groups as indigenous 32. Possible approaches to reflect alternative terminologies used in different countries to describe Indigenous Peoples 33. Circumstances (e.g. criteria and timing) in which a waiver may be considered and the information to be provided to the Board to inform its decision 34. Criteria for establishing and implementation of Free, Prior and Informed Consent (FPIC) 35. Comparison of proposed FPIC with existing requirements on consultation 36. Application of FPIC to impacts on Indigenous Peoples' cultural heritage	<ul style="list-style-type: none"> • The Miskito people already have a protocol of Free, Prior and Informed Consent (FPIC) for the approval of projects and interventions in their territories, unlike the rest of the indigenous groups present in the country. To make the implementation of FPIC viable, there is the need to ensure that projects screen, recognize and use the governance systems of each indigenous people as well as the recognition of their own territories. • The indigenous peoples' plans and other instruments must be oriented towards the improvement of life for the indigenous population under the approach of sharing the benefits of the projects with the indigenous communities; avoid duplicate efforts through inter-agency coordination; strengthen the initiatives of law on the FPIC that are under discussion in Honduras, as well as other legal aspects related to indigenous rights; and creation of tripartite agreements to support the commitments of the FPIC. • One challenge is to identify the indigenous population that will be affected by the project in the practice and the length and depth of the intervention. The country is working on the baseline data on ethnicity and an IP safeguards plan through indigenous roundtables. Additionally, the Government has set the inclusion of

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			<p>indigenous population in the "Program of Management by Results" as a priority.</p> <ul style="list-style-type: none"> • Incorporation of the FPIC in ESS7 was seen as an opportunity to adapt applicable national laws and make projects for the people, helping to bring the country closer to international standards and be able to overcome structural weaknesses in social aspects. The ultimate aim of any public action should be human dignity.
ESS8	Cultural Heritage	<p>37. Treatment of intangible cultural heritage</p> <p>38. Application of intangible cultural heritage when the project intends to commercialize such heritage</p> <p>39. Application of cultural heritage requirements when cultural heritage has not been legally protected or previously identified or disturbed</p>	
ESS9	Financial Intermediaries	<p>40. Application of standard to FI subprojects and resource implications depending on risk</p> <p>41. Harmonization of approach with IFC and Equator Banks</p>	
ESS10	Stakeholder engagement	<p>42. Definition and identification of project stakeholders and nature of engagement</p> <p>43. Role of borrowing countries or implementing agencies in identifying project stakeholders</p>	<ul style="list-style-type: none"> • ESS10 implies a significant positive change for Honduras where more collaboration and participation is needed by local authorities, academia and other sectors. The stakeholders' engagement plan appears to be a valuable tool. The most important thing is to apply common logic and empathy when working with people.
General	EHSG and GIIP	<p>44. 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</p>	

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	Feasibility and resources for implementation	<p>45. 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</p> <p>46. Mitigation of additional burden and cost and options for improving implementation efficiency while maintaining effectiveness</p>	
	Client capacity building and implementation support	<p>47. Funding for client capacity building</p> <p>48. Approaches and areas of focus</p> <p>49. Approach to implementing the ESF in situations with capacity constraints, e.g., FCS, small states and emergency situations</p>	<ul style="list-style-type: none"> • In terms of the approach to client capacity, it was stated that the Government should focus more on strengthening its own institutional capacity instead of relying on project implementation units.
	Disclosure	<p>50. Timing of the preparation and disclosure of specific environmental and social impact assessment documents (related to ESS1 and ESS10)</p>	
	Implementation of the ESF	<p>51. Bank internal capacity building, resourcing, and behavioral change in order to successfully implement the ESF</p> <p>52. Ways of reaching mutual understanding between Borrower and Bank on issues of difficult interpretation</p>	
Other issues			