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

Date: October 23, 2014
Location: Manila, Philippines
Audience: CSOs including Indigenous Peoples, private sector and labor organizations

Overview and Key Issues Discussed: In the meeting, the Bank and the participants agreed that they would seek to organize another consultation meeting in coordination with the National Anti-Poverty Commission (NAPC) and other groups. Key issues discussed included: citizen participation; risks and impacts caused by Bank debt; Sexual Orientation, Gender Identity and Expression (SOGIE) rights; use of Borrower’s environmental and social framework; disability and accessibility; retrenchment caused by Bank structural reform; labor rights for workers in the informal economy; child labor; core labor standards; greenhouse gas (GHG) emission reduction; Free, Prior and Informed Consent (FPIC), “alternative approach” in ESS7; rights-based approach; disclosure requirement; Development Policy Lending (DPL); definition of “critical habitat”; biodiversity offset; Inspection Panel; and meaningful consultation. Some participants walked out of the meeting upon sharing some of their views.

Specific Feedback from Stakeholders

1. General Comments

Clarifications
- Unlike the current safeguard policies, the proposed Framework contains a number of qualifying statements, such as “as appropriate”. It is unclear how this will affect the compliance review by the Inspection Panel.

Comments and recommendations
- The Bank should promote citizen participation, community capacity development and community-based projects. Equitable participation is key to inclusive and balanced development.
- The Bank must work at the grass-roots level, allow more time and provide translation of materials for genuine and bottom-up consultations.
- The Bank should institutionalize a long-term mechanism of consultation. NAPC, a government body with sectoral representation, is one example. Another is the office of a legislator who represents Indigenous Peoples in the Philippine House of Representatives.
- Some groups maintained that the consultation should be civil society-driven, independent of government.
- The Bank disclosed Annexes and Information Notes just before the civil society forum held in Washington DC on October 11. The document is in total 60 pages long. This is not a meaningful consultation.
- It was suggested that this consultation be defined as a pre-consultation.
- When the Bank supports the country’s structural reform, the Bank should not only consult the government, but also civil society and business.
• One participant said that the people do not need safeguards, what they need is restitution for the damage of policies to the economy.
• **Procedures** should be also developed and consulted upon with CSOs.
• The Framework should be applied to both loans and grants.
• In the proposed Framework, there is no reference to **risks and impacts caused by debt**. The harm caused by conditionality is also a problem. Mechanisms are needed to address this.
• There should be a mechanism to include **reputational risks** in the safeguards Framework.
• **DPL** should be covered by the proposed Framework.
• The recognition of **children** as vulnerable groups is a good sign. However, the current language is too generic and the unique needs of children should be more robustly addressed. Bank projects cause a lot of harm to children, including child labor, involuntary resettlement and health issues. At the minimum, an impact assessment on children is required. Children should be also consulted.
• While the **factsheet** is a good presentation, it does not reflect all substantial changes.
• The World Bank should shut down.

2. **A Vision for Sustainable Development**

   N/A

3. **World Bank Environmental and Social Policy**

   **Comments and recommendations**

   • It is appreciated that the Bank has finally recognized **SOGIE** rights in the proposed Framework. However, the language is vague and it remains unclear how the Bank will monitor and examine SOGIE issues and concerns. The Bank lacks the capacity to engage on SOGIE issues. LGBTs have been excluded from education, health and the peace process in Mindanao. The Bank should consider a stand-alone SOGIE policy. Any economic and social agenda should recognize challenges related to SOGIE and incorporate concrete measures. Regarding the use of the Borrower’s environmental and social framework, it should be noted that in the Philippines there is no policy or program available to address SOGIE issues.
   
   • Regarding the proposed **use of Borrower’s environmental and social framework**, the implementation capacity of the borrowers should be closely examined. While many borrowers have a good national system on paper, implementation is often weak.
   
   • The use of the Borrower’s framework should be balanced with a **rights-based approach**. There is a fully documented and recognized UN process on such an approach.
   
   • When domestic standards are lower for **human rights** issues, the above framework should not be used. The higher standards should be applied.

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

   **Comments and recommendations**

   • While the inclusion of **disability** in the proposed Framework is appreciated, there are weaknesses. The definition of disability should be provided in the proposed Framework in line with the UN Convention on the Rights of Disabled Persons. Safety and accessibility of disabled persons should be clarified also.
   
   • While there are (Environmental, Health and Safety) guidelines on **accessibility for disabled persons**, these have been ineffective to date. The accessibility requirement should be provided at the policy level.
- It is questionable whether the Bank has any leverage on the Borrower to implement the proposed ESCP, once Bank funds are disbursed to the Borrower.
- **Third party monitoring** should be operationalized. Current Bank internal due diligence is not sufficient.

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

**Comments and recommendations**
- **Workers in the informal economy** lack labor rights and social protection. These workers should also enjoy labor rights equivalent to formal workers.
- The full set of **core labor standards (CLS)** should be introduced. AfDB has introduced CLS. The Bank should also harmonize with MDBs other than IFC and incorporate best practices into the Framework.
- The Bank-sponsored privatization of water and sanitation systems in Manila led to a retrenchment of 20,000 people. The proposed ESS2 does not address the issue of retrenchment.

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

**Comments and recommendations**
- Indigenous Peoples are highly affected by climate change. The Bank should look into **specific targets for emission reduction**.
- For climate change mitigation, the Bank should set a **concrete target for carbon offsetting**.

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

**Comments and recommendations**
- It is important to have safeguards for **disaster risk reduction** and mitigation.
- The impact of **mining** on communities should be considered.

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

N/A

9. *Environmental and Social Standard 6 (ESS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources*

**Comments and recommendations**
- **Critical habitat** in the proposed Framework is too narrowly defined. The definition in the current policy is very ambitious and progressive.
- The proposed Framework allows **biodiversity offsets** even in areas of critical habitats, which is problematic.

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

**Comments and recommendations**
- It is really appreciated that the Bank has strengthened the policy and introduced **FPIC**.
- The Philippines has 7 years of experience in processing more than 300 FPIC projects. The Bank should learn from this experience.
- Regarding an **“alternative approach,”** it is suggested that the Bank examine ADB’s policy on Indigenous Peoples. It provides policy flexibility without an opt-out clause.
- There is a concern that, with the current wording, the **“alternative approach”** could become a rule, rather than an exception. In the Philippines, when money is involved, tension in communities rises. Therefore, for the next round of consultation, it is requested that Bank incorporate sufficient requirements so that the “alternative approach” is not used for unintended circumstances.
• The Bank should take a more rights-based approach, and should not only refer to the UN Declaration on the Rights of Indigenous Peoples (UNDRIP), but also take it as overarching principles that cover ESSs 6, 7 and 8.
• A focus group discussion with Indigenous Peoples in Mindanao is proposed for later in the year.

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

N/A

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

N/A


Comments and recommendations
• As is the case of ADB, the Bank should also introduce the disclosure requirement of 120 days prior to Board approval for category A projects. 120 days makes a key difference at the country and community level for translation and local understanding of the issues.