



**can paying 4 global eco
services reduce poverty?**

**les paiements pour les services écosystémiques globaux peuvent-ils
réduire la pauvreté?**

www.p4ges.org

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Dear Sir/Madam

Please find attached our submission to the World Bank consultation on the second draft of its Environmental and Social Framework. We greatly appreciate the opportunity to comment on this document which will be extremely influential.

Research that my colleagues and I have carried out as part of the espa-funded project [p4ges](http://www.p4ges.org) (Can paying 4 global ecosystem services reduce poverty?) has significant relevance to this consultation. Please find our summary comments, information on the position from which we comment on the document, and our detailed comments and suggested changes below.

If you would like to discuss any aspect of this response we would be delighted to talk to anyone from the bank about this.

Yours sincerely

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Summary: We have focused our review on ESS5 (with one comment on ESS6 as pertains to social impacts of biodiversity offsets) and related materials from other sections. Generally we feel that the text is excellent and includes very positive and clear statements on how negative impacts on poor local communities of projects which require economic (or physical) displacement can be prevented. We make five significant points:

- 1) The standards rightly put a lot of emphasis on ensuring information about the safeguarding process is available to affected persons. We would emphasise the challenge of achieving this information transfer in many of the contexts these sorts of projects operate in and suggest there should be explicit acknowledgement of this challenge and the time and effort required to overcome it. The grievance procedure referred to is very positive but there is no explicit reference to ensuring the existence of this grievance procedure, and how people can access it, is communicated locally. People who are particularly vulnerable (and rightly deserving of special attention in the ESSs) are often likely to be particularly isolated from information transfer mechanisms.
- 2) Where World Bank funded projects operate in remote rural situations in poor countries there may not be sufficient information on the location of local communities to allow the borrower to develop an effective plan for identifying and compensating affected persons. We would suggest more emphasis should be given to improving this background information where it is inadequate. We suggest that the borrower should make public the map they are using for planning this process: creating a pressure to improve such maps and an opportunity for advocates of local people to highlight any omissions.
- 3) "The Bank's vision goes beyond 'do no harm' to maximizing development gains" (p.6) which is a very positive aspiration. However, the wording of specific mitigation plans adds 'or at least restore' their [affected peoples'] livelihoods and living standards (e.g. ESS 5 paragraph 2, 12, 24, 33, 35). This makes the conditions less stringent than appears in the introduction to the document and means that safeguards do not strictly have to 'go beyond' doing no harm.
- 4) Free Prior Informed Consent (FPIC) is not applied universally– it is only invoked in the case of 'Indigenous Peoples' (p.19, para 52 and in ESS7). Given that, particularly in Africa, many ethnic groups have not self-identified as 'indigenous people', we feel that it would be better to talk of 'indigenous peoples and local communities' as is done in the CBD and apply the same FPIC principle to both. We are surprised that ESS10, which is about 'Stakeholder Engagement and Information Disclosure', does not mention FPIC while highlighting the virtues of 'open and transparent engagement with stakeholders'.
- 5) Where biodiversity offsets are applied (ESS6) explicit consideration should be given to the fact that biodiversity offsets may result in physical and/or economic displacement. We suggest a note should be added explicitly referring to ESS5, making it clear that ESS5 applies and should be followed in all such cases.

Our qualifications to comment (and the scope of our focus): Although many of us have relevant experience in rural development and the impacts of conservation on livelihoods more widely, our particular expertise comes from extensive field work in rural Madagascar looking in detail at the implementation of social safeguards around a new protected area which was developed with World Bank funding and the social impacts of a major biodiversity offset established in the same area (with private finance). Some of this research was recently published in the journal *Global Environmental Change* (Poudyal et al 2016- summarised below) however we are still analysing and writing up other parts of our research (see Bidaud et al submitted-other papers are to come). Around the Corridor Ankeniheny Zahamena REDD+ pilot project and the Ambatovy mine's biodiversity offsets we have conducted more than 800 household surveys exploring local livelihoods and the opportunity cost of conservation, 160 detailed surveys of agricultural practices and dependence on wild harvested products, and more than 59 key informant interviews and 75 focus group discussions covering impacts of conservation restrictions on livelihoods and the effectiveness of compensation provided under social safeguards schemes or other livelihood projects. We have also done 46 interviews with regional, national and international stakeholders about the implementation of biodiversity offsets and impacts on local well-being. This work was funded by the [ecosystem services for poverty alleviation programme](#) as part of the [p4ges](#) project. Our perspective in this response therefore comes from one focused on how these standards will be implemented on the ground and ensuring sufficient guidance is given to avoid some likely pitfalls in the implementation of social safeguards in countries with a similar context to Madagascar (extreme poverty, poor information on the location of rural communities, weak land tenure and difficulties of access and information transfer).

Detailed response:

Environmental and Social Standard 5:

paragraph 1

“Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts.”

We are very pleased to see those economically displaced (including loss of land assets or access to assets) included explicitly in the concept of involuntary resettlement. It is very positive that all of these standards apply not just to people physically moved but who are forced away from their current livelihood by the project. We have observed that such projects can have very significant impacts on local wellbeing.

paragraph 17

“Disclosure of relevant information and participation of affected communities and persons will take place during the consideration of alternative project designs referred to in paragraph 11, and thereafter throughout the planning, implementation, monitoring, and evaluation of the compensation process, livelihood restoration activities, and relocation process.”

Response: Where communities are very dispersed with difficult access and limited penetration of mobile phones or other communication, dissemination of information is very challenging. We are very pleased to see the emphasis on disclosure of information but would like to see acknowledgement of the challenges of achieving this and that special effort needs to be paid to ensure information transfer is achieved and that remote communities (often particularly poor and politically marginalised) have access to information.

This concern is based on our direct experience from field work in rural Madagascar. Human populations around this new World Bank funded protected area are dispersed with many remote hamlets which do not appear on any map or gazetteer. We found that these remote communities did not obtain information about safeguard assessments and were, as a result, less likely to receive compensation. Overcoming these

barriers is not easy (for example, although many households do have radios, they often do not have batteries). However we would suggest that the guidelines include special mention of making extra effort to ensure information transfer in challenging areas, this would improve matters. Mere “disclosure” of information is very unlikely to be sufficient, and a very active dissemination effort will be required.

paragraph 19

“The Borrower will ensure that a grievance mechanism for the project is in place, in accordance with ESS10 as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely fashion. Where possible, such grievance mechanisms will utilize existing formal or informal grievance mechanisms suitable for project purposes, supplemented as needed with project-specific arrangements designed to resolve disputes in an impartial manner.”

Response: Information transfer in poor rural communities is very challenging (see above). Such a grievance mechanism can only play its role if the people affected know about its existence. We suggest specific wording is added to make it clear that the grievance mechanism is not simply ‘in place’ but is communicated throughout the affected region. It is also important that the grievance mechanism is operated in an independent manner which is cognisant of the pre-existing power relations that may exist between governments and other organisations in the area.

Suggested edit to above paragraph: “The Borrower will ensure that an independent grievance mechanism for the project is in place, and widely communicated throughout the affected region, in accordance with ESS10 as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others).”

Paragraph 23

“Periodic monitoring reports will be prepared and affected persons will be informed about monitoring results.”

Response: It is very positive to see that monitoring of impacts on displaced people is being advocated. The text on monitoring is sensible. However again we raise the issue about the challenges of ensuring affected persons can obtain this information. Very little information is given on process. The text could state that mechanisms should be in place for displaced people themselves to be involved in the monitoring of impacts.

Suggested text: “Periodic monitoring reports will be prepared (involving local people in the monitoring), and affected persons will be informed about monitoring results.”

ESS5 annex 1

6“Census survey and baseline socio-economic studies. The findings of a household-level census identifying and enumerating affected persons, and, with the involvement of affected persons, surveying land, structures and other fixed assets to be affected by the project.”

Response: In some areas where the bank implements projects (such as where we have experience in rural Madagascar) there is very limited information on even the location of villages. We have found villages which have a state supported primary school which do not appear on any map or government gazetteer. This poor information on the location of human populations in project areas is a serious impediment to identifying and mitigating any negative local impacts. With modern technology (such as google earth) it would be quite straightforward for a GIS technician working with a small focus group of local experts (mayors and other local leaders) to create an up to date gazetteer showing the locations of villages and hamlets in the project affected region. If this was done through the relevant state agency (see paragraph 37 “Collaboration with Other Responsible Agencies or Subnational Jurisdictions”) this would be very valuable

improvement to national capacity and would ensure that already marginalised communities do not miss out on any compensation owed to them.

Environmental and Social Standard 1: Assessment and management of environmental and social risks and impacts

Paragraph 14

“The Borrower will:

- (a) Conduct environmental and social assessment of the proposed project, including stakeholder engagement;
- (b) Undertake stakeholder engagement and disclose appropriate information in accordance with ESS10;
- (c) Develop and implement an ESCP; and
- (d) Conduct monitoring and reporting on the environmental and social performance of the project against the ESSs. “

We suggest an additional item on this list (e) Make available the map of local communities they are using to plan their Environmental and Social Impact Assessment and mitigation efforts.

Paragraph 22

“The environmental and social assessment will be based on current information...”

As we highlight above-there are cases when available information on something so basic as the location of communities is inadequate (despite being relatively simple to resolve with current technology). We would support wording suggesting investment in improving such background information is valued.

Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

The text makes it clear that biodiversity offsets are an option (properly taking into account the mitigation hierarchy). We make no comment on the technical details of how these biodiversity offsets should be delivered to ensure they achieve ‘no net loss’ of biodiversity. However we suggest that explicit consideration should be given to the fact that biodiversity offsets will, where local people depend on land or resources in areas of conservation concern, result in physical and/or economic displacement. We suggest a note should be added explicitly referring to ESS5, making it clear that ESS5 applies and should be followed in all such cases. This is important because our research shows that there is a tendency for those involved in biodiversity offsets to not consider the social impacts of such schemes.

Suggested additional text: In instances where biodiversity offsets are proposed as part of the mitigation hierarchy, the Borrower will demonstrate through an assessment that the project’s significant residual adverse impacts on biodiversity will be adequately mitigated to meet the conditions of paragraphs 18 and 24. The borrower must also consider whether any local people will be economically or physically displaced by the offset. If so then ESS5 applies.

References

Poudyal, M., Ramamonjisoa, B.S., Hockley, N.J., Rakotonarivo, S.O., Gibbons, J.M., Mandimbiniaina, R., Rasoamanana, A., Jones, J.P.G. (2016) Can REDD+ social safeguards reach the 'right' people? Lessons from Madagascar. *Global Environmental Change*. [doi:10.1016/j.gloenvcha.2016.01.004](https://doi.org/10.1016/j.gloenvcha.2016.01.004))

Highlights

- 1) Social safeguards are considered key in tackling potential negative impacts of conservation.
- 2) We examine factors influencing the existing social safeguards assessments.
- 3) In our Malagasy case study, compensation favoured local elites.
- 4) Identifying every household negatively affected by REDD+ may not be feasible.
- 5) Optimal strategy may be to compensate all households equally in affected communities.

Abstract

There is extensive debate about the potential impact of the climate mechanism REDD+ on the welfare of forest-dwelling people. To provide emission reductions, REDD+ must slow the rate of deforestation and forest degradation: such a change will tend to result in local opportunity cost to farmers at the forest frontier. Social safeguard processes to mitigate negative impacts of REDD+ are being developed and can learn from existing safeguard procedures such as those implemented by the World Bank. Madagascar has a number of REDD+ pilot projects with World Bank support including the Corridor Ankeniheny-Zahamena (CAZ). Nearly two thousand households around the corridor have been identified as 'project affected persons' (PAPs) and given compensation. We compare households identified as project affected persons with those not identified. We found households with more socio-political power locally, those with greater food security, and those that are more accessible were more likely to be identified as eligible for compensation while many people likely to be negatively impacted by the REDD+ project did not receive compensation. We identify three issues which make it difficult for a social safeguard assessment to effectively target the households for compensation: (a) poor information on location of communities and challenging access means that information does not reach remote households; (b) reluctance of people dependant on shifting agriculture to reveal this due to government sanctions; and (c) reliance by safeguard assessors on non-representative local institutions. We suggest that in cases where the majority of households are likely to bear costs and identification of affected households is challenging, the optimal, and principled, strategy may be blanket compensation offered to all the households in affected communities; avoiding the dead weight costs of ineffective safeguard assessments. The Paris Agreement in December 2015 recognised REDD+ as a key policy instrument for climate change mitigation and explicitly recognised the need to respect human rights in all climate actions. However, safeguards will be prone to failure unless those entitled to compensation are aware of their rights and enabled to seek redress where safeguards fail. This research shows that existing safeguard commitments are not always being fulfilled and those implementing social safeguards in REDD+ should not continue with business as usual.

Bidaud, C., Schreckenber, K., Rabeharison, M., Gibbons, J.M., Ranjatson, P. & Jones, J.P.G. (submitted)

The sweet and the bitter: intertwined positive and negative social impacts of a biodiversity offset. Please contact the authors for a copy of the submitted article.