



## Review and Update of World Bank Environmental and Social Safeguard Policies Summary of Consultations with the Representatives of Russia's Government

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**Location:** Moscow, Russia

**Total number of participants:** 12

Comments
<b>1. What improvements should the Bank make to its safeguard policies to strengthen their effectiveness?</b>
<ul style="list-style-type: none"> <li>• <b>Expanding the scope of environmental and social policies.</b> While policy expansion is definitely a positive development, the Bank should maintain a balance to avoid transforming itself into an institution of political influence.</li> <li>• <b>Support of communities and medium-size business.</b> Support of large companies under commercial projects (e.g., financing private forestry enterprises) often is done so at the expense of local communities and medium-size business. The Bank should analyze the extent to which large projects affect the interests of small enterprises. The current version of the safeguards pays no attention to such analysis; however, this is an important economic aspect that could entail unemployment challenges. The Bank should bear this in mind when expanding the safeguards.</li> <li>• <b>Environment. Such aspects as land use, natural resources and climate change</b> might be integrated in a single section.</li> <li>• <b>Environmental Impact Assessment (EIA).</b> The EIA should be made more socially focused.</li> <li>• <b>Migration.</b> Proposals on the optimization of safeguards in this area:             <ul style="list-style-type: none"> <li>○ <b>OP 4.12:</b> While underscoring its high significance, it was noted that the OP should be supplemented with additional provisions concerning assistance to migrants in transit areas, which is poorly addressed in the current version of the safeguards.</li> <li>○ Special attention should be given to <b>gender aspects</b> of migration, namely, collection of data on the age and sex structure of migrant groups, and emphasizing the differences to be addressed in the gender-differentiated assistance to migrants.</li> <li>○ Legal support should be strengthened, specifically in Russia, the professional assistance of lawyers is needed.</li> </ul> </li> </ul>

- **Involuntary resettlement policy.** In general, practice shows that the existing safeguards address all relevant aspects, but excessive detail can impede implementation of projects.

## 2. How can the Bank help the client countries in their efforts to develop legislative framework, systems and institutes in the above areas?

- **Leadership in international standards.** Bank safeguard policies should become a public good, and lead the way in respect to international environmental and social standards. At the same time, they should remain flexible, allowing application at the national level and facilitating the establishment of country systems.
- **Job creation.** As part of its chairmanship in the G20, Russia has identified economic growth and its support through job creation as one of its development priorities. However, this implies both investments and quality employment. In this context, the Bank safeguards could be applied both in the framework of cooperation with the Bank, and independently, e.g., to create high quality jobs in Russia.
- **Land use.** Forest management issues are poorly addressed in Russian legislation. Over the last 14 years, many projects have been rejected due to the inability of regions to implement them. Land use is a key issue in Russia. The Bank could assist Russia in dealing with this challenge.

## 3. How to arrange the joint work between the Bank and client countries to improve their environmental and social sustainability?

- **Job creation.** The Bank could promote its safeguards through the G20, and therefore facilitate social sustainability in Russia through assistance in creation of high quality jobs.
- **Project financing.** Projects often face lack of funds at the preparation stage (when no financing is provided by the Bank yet). Thus, in the case of Forestry Project-2 (forest fire management), the Ministry of Finance and Ministry of Natural Resources were unprepared to provide funds in response to the request from project implementers. The procedure of fund generation (financing sources: Russian ministries and agencies, and others) during this period (usually several months) should be specified.
- **Harmonization.** Designers of the updated safeguards should bear in mind that there are differences in the systems of project performance evaluation between the Bank and the Borrower, and that these systems should be harmonized. In particular:
  - **Project performance indicators.** When performing expert review of projects, ministries and agencies use project performance indicators. However, it is important to understand the sources of information that constitute the baseline to define these indicators. The Bank has its own data sources, which implementing agencies refer to in their reporting. However, these documents have no official value for the Russian side according to Russian law (which only recognizes official data sources such as Rosstat). Thus, for example, neither the Chamber of Accounts (in the case of competitive procurement of goods and services) nor the Russian regions (in the case of forest projects) accept these documents. This is an issue faced by everyone who is implementing Bank projects in Russia. Therefore, there is a need to harmonize sources of information, linking them to Russian legislation. As noted above, official statistical data (Rosstat) exist, along with well-defined measures for using this information. It is highly important that the data are taken from Russian statistical sources. In parallel, expert estimates can also be used.

- **Rating.** The Bank uses its own project performance rating. However, given that these projects are sovereign, the government has no right to use any information other than from official sources. It is these data that should be relied upon.