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Operations Policy & Country Services

Setting Standards for Sustainable Development

Update and Review of the World Bank's Safeguard Policies

Country Case Study

*Phase 3 Consultation in China
October 26-30, 2015*

Content

- **Objective: Road-Testing the proposed Framework for operational implications**
- **Approach and methodology**
- **Projects to be discussed**
- **Discussion**

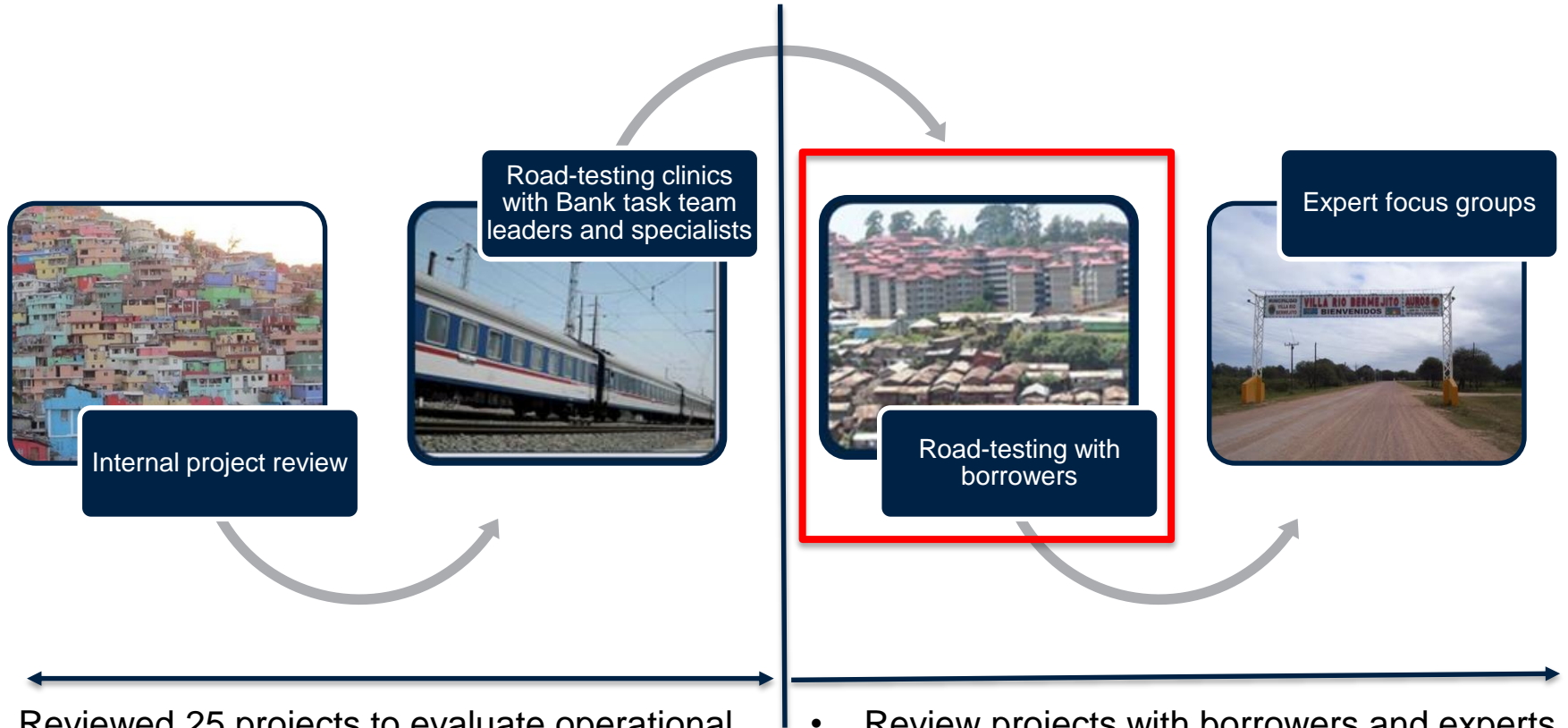


Objective

Road-Testing the proposed Framework for Operational Implications

- Initial step towards understanding potential resource implications to identify
 - Implementation challenges
 - Aspects that require additional clarification
 - Need for additional operational guidance

Approach



- Reviewed 25 projects to evaluate operational implications of the proposed Framework for Borrowers and Bank
- More reviews to be added throughout consultation phase

- Review projects with borrowers and experts throughout consultation phase
- **Case studies (2-3 projects) base on country portfolio, exploring how the proposed Framework might or might not differ from the Bank's current policies**

Methodology

- Comparison of current safeguard policies as applied to existing projects with provisions of proposed Framework
- **Incremental changes to the scope of work** for Bank and Borrowers are specified as below:

NO CHANGE	Standard not applicable or no change compared to application of current safeguards
LOW	Minor modifications and additional analytical work needed to address ES Framework requirements
MODERATE	Additional work needed to improve scope, depth and quality of assessment
SUBSTANTIAL	ES Framework requirements not addressed through current approach, but level of incremental efforts not significant
HIGH	ES Framework requirements significantly different in scope and technical depth



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Projects to be discussed today

- Yunnan Urban Environmental Project (P096812)
- Kunming Urban Rail Project (P117656)

Yunnan Urban Environmental Project

Project facts

- **Objectives:** Assist Yunnan Province improving effectiveness of lake basin management in Er'Hai and Dianchi, and to improve effectiveness and coverage of critical urban environmental infrastructure for the development of country towns through expansion and establishment of wastewater services and solid waste management systems
- **Financing (US\$):** 150M
- **Environmental Category:** A
- **Safeguards Triggered:** Environmental Assessment (OP4.01), Natural Habitats (OP4.04), Physical Cultural Resources (OP4.11), Indigenous Peoples (OP4.10), Involuntary Resettlement (OP4.12), Safety of Dams (OP4.37)
- **Safeguards Instruments :** Environmental Management Framework (EMF) ?
- **Approved:** 2008

Context

- Client capacity constraints
- Fragile environment prone to natural disasters, request for additional financing after 2010 earthquake
- Neighborhoods with high social risk



Operational Implications of Proposed Framework: Yunnan Urban Environmental Project

Environmental and Social Standard	Prospective Change in effort required
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	<u>Moderate</u>
ESS 2: Labor and Working Conditions	<u>High</u>
ESS 3: Resource Efficiency and Pollution Prevention and Management	<u>Low</u>
ESS 4: Community Health and Safety	<u>Moderate</u>
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	<u>No change</u>
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	<u>Low</u>
ESS 7: Indigenous Peoples	<u>No change</u>
ESS 8: Cultural Heritage	<u>No change</u>
ESS 9: Financial Intermediaries	<u>No change</u>
ESS 10: Stakeholder Engagement and Information Disclosure	<u>Moderate</u>

Kunming Urban Rail Project

Project facts

- **Objectives:** To achieve compact, transit-oriented development in Kunming by supporting the development of high quality, integrated public transport on the east-west line 3 corridor
- **Financing (US\$):** 1,453M
- **Environmental Category:** A
- **Safeguards Triggered:** Environmental Assessment (OP4.01), Physical Cultural Resources (OP4.11), Involuntary Resettlement (OP4.12)
- **Safeguards Instruments :** Environmental Management Framework (EMF)?
- **Approved:** 2011

Context

- Client capacity constraints
- Fragile environment prone to natural disasters, request for additional financing after 2010 earthquake
- Neighborhoods with high social risk



Operational Implications of Proposed Framework: Kunming Urban Railway Project

Environmental and Social Standard	Prospective Change in effort required
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	<u>Moderate</u>
ESS 2: Labor and Working Conditions	<u>High</u>
ESS 3: Resource Efficiency and Pollution Prevention and Management	<u>Low</u>
ESS 4: Community Health and Safety	<u>Moderate</u>
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	<u>No change</u>
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	<u>Low</u>
ESS 7: Indigenous Peoples	<u>No change</u>
ESS 8: Cultural Heritage	<u>No change</u>
ESS 9: Financial Intermediaries	<u>No change</u>
ESS 10: Stakeholder Engagement and Information Disclosure	<u>Moderate</u>

Discussion

1. *Feasibility and resources for implementation?*

- What are the implementation and resource implications for Borrowers?
- What can the Bank do to mitigate additional burden and cost?
- How can the implementation of projects be made more efficient?

2. *Borrower capacity building and support for implementation?*

- How can the Bank support capacity building?
- Are there specific areas of focus, and approaches?
- Approach to implementing the ES Framework in situations with capacity constraints, e.g., Fragile and Conflict-affected Situations (FCS), small states and emergency situations?



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THANK YOU

More information available at:

<http://consultations.worldbank.org/consultation/review-and-update-world-bank-safeguard-policies>