

Bank Procedure

Environmental and Social Procedure

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DELIBERATIVE WORKING DRAFT

July 1, 2015

SECTION I – PURPOSE AND APPLICATION

1. This Procedure sets out the mandatory requirements for the implementation of the Environmental and Social Policy for Investment Project Financing.
2. This Procedure applies to the Bank.

SECTION II – DEFINITIONS AND ACRONYMS

3. As used in this Procedure, the capitalized terms or acronyms have the meanings set out below.
 - 1) **Access to Information Policy:** the Bank’s Access to Information Policy, dated July 1, 2013, as amended from time to time.
 - 2) **APESS:** the Accreditation Panel for Environmental and Social Standards of the Bank constituted of the Chief Environmental and Social Standards Officer (CESSO); the Director, GENDR; the Director, GSURR; and the LEGEN CC, with appropriate regional representation as determined by the CESSO. APESS is chaired by the CESSO.
 - 3) **Bank:** IBRD and IDA.
 - 4) **Board:** the Executive Directors of IBRD or IDA, or both, as applicable.
 - 5) **Borrower:** the borrower or recipient of a Bank Loan for a project, and any other entity involved in the implementation of the project financed by the Bank Loan.
 - 6) **Borrower’s ES Framework:** the Borrower’s Environmental and Social Framework, as set out in paragraph 25 of the Policy.
 - 7) **CESSO:** the Chief Environmental and Social Standards Officer of the Bank.
 - 8) **EHSGs:** the Environmental, Health and Safety Guidelines of the World Bank Group, dated April 30, 2007, as amended from time to time.
 - 9) **ES:** Environmental and Social.
 - 10) **ESCP:** the Environmental and Social Commitment Plan.

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- 11) **ESF:** the Environmental and Social Framework of the Bank, dated _____, as may be amended from time to time, which consists of the Environmental and Social Policy and the ten Environmental and Social Standards.
- 12) **Environmental and Social Policy for Investment Project Financing:** the Environmental and Social Policy of the Bank, dated _____, as amended from time to time.
- 13) **Environmental and Social Procedure:** the Environmental and Social Procedure of the Bank, dated _____, as amended from time to time.
- 14) **ESRS:** the Environmental and Social Review Summary document, in the form required, as amended from time to time.
- 15) **ESS:** the Environmental and Social Standards of the Bank, dated _____, as amended from time to time.
- 16) **ESSA:** an Environmental and Social Standards Advisor. [previously, Regional Safeguards Advisor]
- 17) **ES Specialist:** an Environmental and/or Social Specialist of the Bank.
- 18) **ICR:** an Implementation Completion and Results Report.
- 19) **Implementing Entity:** an entity responsible for the implementation of a project supported by a Bank Guarantee.
- 20) **IPF:** Investment Project Financing, as defined under OP/BP 10.00.
- 21) **ISR:** Implementation Status and Results Report.
- 22) **GENR:** Environmental and Natural Resources Global Practice.
- 23) **Global Practice Senior Director/Director:** the Senior Director or Director of a GP of the Bank.
- 24) **GP:** a Global Practice of the Bank.
- 25) **GRS:** the Grievance Redress Service of the Bank.
- 26) **GSURR:** Social, Urban, Rural and Resilience Development Global Practice.

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- 27) **Guarantee:** a guarantee provided by the Bank (i) of financing extended by private entities; or (ii) of non-loan-related government payment obligations in favor of private entities or of foreign public entities, and arising from contracts, law or regulation.
- 28) **Legal agreement:** The legal agreement entered into between the Bank and the Borrower to provide Bank financing for the Borrower's investment project.
- 29) **LEG:** the Legal Vice-Presidency of the Bank.
- 30) **LEGEN:** the Environment and International Law Unit of LEG.
- 31) **LEGEN CC:** Chief Counsel, LEGEN.
- 32) **Loan:** a loan, credit or grant made by the Bank from its own resources or from trust funds funded by other donors and administered by the Bank, or a combination of these.
- 33) **Management:** the President or a Manager of the Bank, or some or all of these persons, as applicable.
- 34) **Manager:** a person identified as a manager in the Bank's human resources system.
- 35) **Managing Director or MD:** the Managing Director and Chief Operating Officer of the Bank.
- 36) **OESRC:** the Operations Environmental and Social Review Committee of the Bank, constituted of the Chief Environmental and Social Standards Officer (CESSO); the Director, GENDR; the Director, GSURR; and the LEGEN CC, with appropriate regional representation as determined by the CESSO. OESRC is chaired by the CESSO.
- 37) **OPCS:** the Operations Policy and Country Services Vice-Presidency of the Bank.
- 38) **OPSOR:** the Operations Risk Management Department within OPCS.
- 39) **PAD:** a Project Appraisal Document.
- 40) **President:** the President of the Bank.
- 41) **Risk Classification:** the risk classification assigned by the Bank to the project, as set out in Section VI of this Procedure.
- 42) **Subproject:** a separate activity under the project, as defined in the legal agreement.

43) **TL:** the Team Leader.

44) **TOR:** Terms of Reference for the relevant assessment to be used by the Borrower to assess potential risks and impacts of the project.

45) **TT:** the Task Team.

SECTION III – SCOPE

4. This Procedure applies to all projects subject to OP 10.00 on Investment Project Financing.
5. As set out in the Policy, paragraph 3, the responsibilities of the Bank to manage ES risks and impacts of a project are:
 - a. undertake its own due diligence on the proposed project, proportionate to the nature and potential significance of the ES risks and impacts related to the project;
 - b. as and where required, support the Borrower in carrying out early and continuing engagement and meaningful consultation with stakeholders, in particular affected communities, and in providing project-based grievance mechanisms;
 - c. assist the Borrower in identifying appropriate methods and tools to assess and manage the potential ES risks and impacts of the project;
 - d. agree with the Borrower on the conditions under which the Bank is prepared to provide support to the project, as set out in the Environmental and Social Commitment Plan (ESCP); and
 - e. monitor the ES performance of the project in accordance with the ESCP and the ESSs.

SECTION IV – ROLES AND RESPONSIBILITIES

6. The management of ES risks and impacts within the Bank is carried out primarily by responsible officials in OPCS (OPSOR), the GPs (GENR and GSURR), LEG (LEGEN), and members of the TT.
7. The CESSO (OPSOR) has overall responsibility and accountability for general oversight of ESF implementation, and carries out the following:
 - a. interpreting the ESF and advising on its application;

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- b. proposing amendments to, and leading any review and update of, the ESF;
 - c. issuing ES risk-related guidance;
 - d. monitoring the overall functioning of the ESF and reporting on its implementation and application, including the due diligence process conducted by the Bank, and the formulation of measures to support such implementation;
 - e. providing clearance for the initial risk classification of a project, and any subsequent changes to that risk classification, through the ESSA;
 - f. providing advice and guidance for the ES appraisal and monitoring of *High Risk* projects, through the ESSA, including the clearance of relevant TORs with ES content and any other ES documentation during project appraisal;
 - g. endorsing proposals for waivers to the provisions of the ESF for submission to MD for clearance and Board approval;
 - h. approving proposals for waivers to the provisions of the Environmental and Social Procedure;
 - i. ensuring central monitoring of ES-related grievances submitted through the GRS;
 - j. managing the ESF accreditation process;
 - k. overseeing design and implementation of knowledge management and learning activities of the ESF, jointly with GPs and LEG; and
 - l. engaging with other multilateral and bilateral organizations and development agencies with the objective of harmonization of Bank requirements relating to ES risks and impacts, including the ESF.
8. The Director, GENDR and the Director, GSURR, are responsible and accountable for the implementation of the ESF, and carrying out the following:
- a. developing and implementing business processes for the effective implementation of the ESF, including planning and budgeting, programming deployment, monitoring and reporting on ESF-related project-level support;
 - b. providing managerial oversight of project appraisal;
 - c. allocating staff and consultants to TT and supervising them;

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- d. advising and assisting the TT on ES risks for all operations;
 - e. providing clearance, advisory support and monitoring throughout project life-cycle for non-*High Risk* projects;
 - f. undertaking portfolio reviews of ESS performance;
 - g. providing specialized technical advisory services (e.g., dam safety, etc.); and
 - h. assisting with the development of Borrower capacity building strategies and implementation.
9. The LEGEN CC is responsible for:
- a. providing legal advice on the ESF and ES risk-related guidance;
 - b. reviewing and clearing terms of reference for consultants being hired to carry out legal work with ES content; and
 - c. advising on the assessment of the legal dimensions of the Borrower's ES Framework.
10. TT (including ESF Accredited Staff) are responsible and accountable for project-level preparation, implementation support and monitoring activities relating to the ESF, and carrying out the following:
- a. managing project appraisal;
 - b. carrying out project ES due diligence, and proposing appropriate ES risk mitigation measures;
 - c. assisting the Borrower in the preparation of relevant ES tools and instruments;
 - d. carrying out ES-related implementation support and monitoring; and
 - e. handling grievances related to implementation at the project level.
11. The OESRC is constituted of the CESSO; the Director, GENDR; the Director, GSURR; and the LEGEN CC, with appropriate regional representation as determined by the CESSO. OESRC is chaired by the CESSO and has overall responsibility and accountability for reviewing and advising on ES-related issues of corporate relevance, including the following:
- a. at the request of any members of OESRC or senior Management at any time during the project life-cycle, providing advice and guidance on *High Risk*, sensitive or

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- complex projects or issues, including those raising policy interpretation issues or of a controversial or innovative nature, regardless of the classification;
- b. requiring the TT to notify OESRC promptly of any significant event or change in the ES issues associated with a project, regardless of the classification, and where necessary providing advice and guidance as to how the event or issue is addressed; and
 - c. providing support to the CESSO in interpreting the ESF, monitoring application and suggesting changes to the ESF.
12. The APSS is constituted of the CESSO; the Director, GENDR; the Director, GSURR; and the LEGEN CC, with appropriate regional representation as determined by the CESSO. APSS is chaired by the CESSO and is responsible for:
- a. developing core competency requirements and setting professional standards for Bank staff to be accredited as ESF Accredited staff;
 - b. operating the ESF Accreditation Process, including reviewing, clearing and recommending ESF Accreditation;
 - c. maintaining and making publically available registers of ESF Accredited staff;
 - d. providing advice and guidance on developing and maintaining core competencies and specializations; and
 - e. monitoring adequacy of resources and competencies to meet the requirements and support the integrity of the ESF.

SECTION V – SCREENING THE PROJECT

13. The TL assembles a TT for the proposed project. The TT screens the proposed project to identify, with the available information, the key ES risks and impacts and capacity issues associated with the project. The initial screening of potential ES risks and impacts is based on an examination of the type, sector, location, sensitivity and scale of the proposed project, and the nature and magnitude of its potential ES risks and impacts.
14. The preliminary screening informs the initial risk classification, and the extent to which the Borrower's ES Framework will be assessed. It also provides the basis for the TT to consider the type of ES assessment that is required, so that the risks and impacts, and any other issues that may arise, can be addressed effectively in project planning, design and implementation.

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15. The TT reviews the capacity and commitment of the Borrower to develop and implement the project in accordance with the ESSs. The TT reviews the need, if any, for enhancement of the Borrower's capacity to meet the requirements of the ESSs, particularly in respect of relevant baseline data and information, on-site training, institutional strengthening, and inter-institutional collaboration. The TT considers the need for capacity enhancement, including project components to strengthen capacity.
16. The TT undertakes an initial review of the Borrower's ES Framework specific to the project upon Borrower request. (For further requirements, see Section IX.)
17. During the initial screening, the TT gathers sufficient information regarding the project to enable the TT to:
 - a. identify key ES risks and impacts, and their nature and magnitude;
 - b. propose a project risk classification;
 - c. consider the most appropriate type of ES assessment to be conducted by the Borrower and the methods and tools to be used;
 - d. identify and assess details of the Borrower's ES Framework and possible gaps;
 - e. propose a preliminary schedule for consultation with stakeholders; and
 - f. consider the type of ES due diligence that will be required of the Bank, and propose a preliminary ES due diligence schedule.
18. The TT discusses with the Borrower the information on the project, and the measures and actions that will be required for the Borrower to conduct ES assessment of the project, including the methods and tools to be used (as described in ESS1, Annex 1) and the type and timeframe for the preparation of specific instruments, including any ESS-specific plans.
19. If the potential ES risks and impacts of the proposed project are considered to be *High Risk* or *Substantial Risk*, the TT includes dedicated ES specialists. The type and level of expertise of the ES specialists reflects the type and level of risks and impacts of the project.

SECTION VI – RISK CLASSIFICATION

20. The Bank classifies each project according to the Bank's risk classification.
21. The risk classification system is used by Bank staff as a tool to review and monitor the ES performance of a project on a regular basis throughout the project life-cycle. The Bank

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allocates its resources, and provides corporate oversight and operational support to a project, in accordance with the risk classification of the project. The risk classification is intended to ensure that:

- a. the Bank has accurate and up to date information regarding the status of the project, including issues that could affect the ES performance and outcomes of the project;
 - b. the Borrower dedicates sufficient resources, and is provided with targeted implementation support, to ensure that the commitments agreed to in the legal agreement, including the ESCP, are implemented; and
 - c. changes to the project or unforeseen risks and impacts are addressed.
22. The Bank takes the necessary steps to ensure that the risk classification of the project is based on accurate and up to date information, and is made in accordance with the ES Policy and this Procedure.
23. The Bank classifies a project as *High Risk*, *Substantial Risk*, *Moderate Risk* or *Low Risk* taking into account all relevant potential risks and impacts, including the following:
- a. the type, location, sensitivity and scale of the project including, *inter alia*, the physical considerations of the project; type of infrastructure (e.g., dams and reservoirs, power plants, airports, major roads); volume of hazardous waste management and disposal, geographical area of influence;
 - b. the nature and magnitude of the potential ES risks and impacts, including, *inter alia*, impacts on greenfield sites; impacts on brownfield sites including (e.g., rehabilitation, maintenance or upgrading activities); the nature of the potential risks and impacts (e.g. whether they are irreversible, unprecedented or complex); resettlement activities; presence of Indigenous Peoples; and possible mitigation measures considering the mitigation hierarchy;
 - c. the capacity and commitment of the Borrower to manage such risks and impacts in a manner consistent with the ESSs, including, *inter alia*, the country's policy, legal and institutional framework; laws, regulations, rules and procedures applicable to the project sector, including regional and local requirements; the technical and institutional capacity of the Borrower; the Borrower's track record of past project implementation; and the financial and human resources available for management of the project;

- d. other areas of risk that may be relevant to the delivery of ES mitigation measures and outcomes, depending on the specific project and the context in which it is being developed, including, *inter alia*, the nature of the mitigation and technology being proposed, considerations relating to domestic and/or regional stability, conflict or security.

24. The Bank classifies a project as *High Risk* after considering, in an integrated manner, the risks and impacts of the project, and determining the following:

- a. the project is likely to generate a wide range of significant adverse risks and impacts on human populations or the environment. This could be because of the complex nature of the project, the scale (large to very large) or the sensitivity of the location(s) of the project. This would take into account whether the potential risks and impacts associated with the project have the majority or all of the following characteristics:
 - (i) long term, permanent and/or irreversible (e.g., loss of major natural habitat or conversion of wetland), and impossible to avoid entirely due to the nature of the project;
 - (ii) high in magnitude and/or in spatial extent (the geographical area or size of the population likely to be affected is large to very large);
 - (iii) cumulative and/or transboundary in nature; and
 - (iv) a high probability of serious adverse effects to human health and/or the environment (e.g., due to accidents, toxic waste disposal, etc.);
- b. the area likely to be affected is of high value and sensitivity, for example sensitive and valuable ecosystems and habitats (protected areas, National Parks, World Heritage Sites, Important Bird Areas), lands or rights of Indigenous Peoples or other vulnerable minorities, intensive or complex involuntary resettlement or land acquisition, impacts on cultural heritage or densely populated urban areas;
- c. some of the significant adverse ES risk and impacts of the project cannot be mitigated or specific mitigation measures require complex and/or unproven mitigation, compensatory measures or technology, or sophisticated social analysis and implementation;
- d. there are significant concerns that the adverse social impacts of the project, and the associated mitigation measures, may give rise to significant social conflict or harm or significant risks to human security;

- e. there is a history of unrest in the area of the project or the sector, and there may be significant concerns regarding the activities of security forces;
 - f. the project is being developed in a legal or regulatory environment where there is significant uncertainty or conflict as to jurisdiction of competing agencies, or where the legislation or regulations do not adequately address the risks and impacts of complex projects, or changes to applicable legislation are being made, or enforcement is weak;
 - g. the past experience of the Borrower and the implementing agencies in developing complex projects project is limited, their track record regarding ES issues generally is poor and this track record is unacceptable given the nature of the project's potential risks and impacts;
 - h. stakeholder engagement is weak;
 - i. there are a number of factors outside the control of the project that could have a significant impact on the ES performance and outcomes of the project.
25. The Bank classifies a project as *Substantial Risk* after considering, in an integrated manner, the risks and impacts of the project, and determining the following:
- a. the project may not be as complex as *High Risk* projects, its ES scale and impact may be smaller (large to medium) and the location may not be in such a sensitive area. This would take into account whether the potential risks and impacts have the majority or all of the following characteristics;
 - b. they are mostly temporary, predictable and/or reversible, and the nature of the project does not preclude the possibility of avoiding or reversing them (although substantial investment and time may be required);
 - c. a few of the significant adverse ES risk and impacts of the project cannot be mitigated or specific mitigation measures require complex and/or unproven mitigation or compensatory measures or technology, or sophisticated social analysis and implementation;
 - d. there are concerns that the adverse social impacts of the project, and the associated mitigation measures, may give rise to significant social conflict or harm or significant risks to human security;
 - e. they are medium in magnitude and/or in spatial extent (the geographical area and size of the population likely to be affected are medium to large);

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- f. the potential for cumulative and/or transboundary impacts may exist, but they are less severe and more readily avoided or mitigated than for *High Risk* projects;
 - g. there is medium to low probability of serious adverse effects to human health and/or the environment (e.g., due to accidents, toxic waste disposal, etc.), and there are known and reliable mechanisms available to prevent or minimize such incidents;
 - h. the effects of the project on areas of high value or sensitivity will be lower than *High Risk* projects;
 - i. mitigatory and/or compensatory measures may be designed more readily and be more reliable than those of *High Risk* projects.
26. The Bank classifies a project as *Moderate Risk* after considering, in an integrated manner, the risks and impacts of the project, and determining the following:
- a. the potential adverse risks and impacts on human populations and/or the environment are not likely to be significant. This is because the project is not complex and/or large, does not involve activities that have a high potential for harming people or the environment, and is located away from environmentally or socially sensitive areas. As such, the potential risks and impacts and issues are likely to have the following characteristics:
 - (i) predictable and expected to be temporary and/or reversible;
 - (ii) low in magnitude;
 - (iii) site-specific, without likelihood of impacts beyond the actual footprint of the project
 - (iv) low probability of serious adverse effects to human health and/or the environment (e.g., do not involve use or disposal of toxic materials, routine safety precautions are expected to be sufficient to prevent accidents, etc.)
 - b. risks and impacts can be easily mitigated in a predictable manner.
27. The Bank classifies a project as *Low Risk* if its potential adverse risks to and impacts on human populations and/or the environment are likely to be minimal or negligible. These projects, with few or no adverse risks and impacts and issues, do not require further ES assessment following the initial screening.
28. The Bank reviews the risk classification on a regular basis throughout the project life-cycle in order to ensure that it continues to reflect accurately the level of risk the project presents. In particular, the Bank takes into account risks or impacts of the project that were not foreseen

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or anticipated; changes to the Borrower ES Framework; the ongoing ES performance of the project; the commitment of the Borrower; and the information contained in the following to assess whether the risk classification continues to be appropriate:

- a. the ESCP implementation reports;
- b. the annual monitoring report; and
- c. the ISR.

SECTION VII –SUPPORT FOR ENVIRONMENTAL AND SOCIAL ASSESSMENT

29. The Bank advises the Borrower on carrying out the ES assessment of the project in accordance with the requirements of ESS1.
30. The Bank assists the Borrower in determining the process to be followed, and the different methods and tools to be used by the Borrower to carry out the ES assessment and to document the results of such assessment. The Bank discusses with the Borrower the requirements of ESS1, Annex 1. The assessment assesses the ES risks of the project throughout the project life-cycle, and identifies appropriate mitigation measures.
31. As necessary, the Bank assists the Borrower in preparing the TORs for any tools (including those required by specific ESSs) to be used as part of the ES assessment, ensuring that the TORs reflect the need for adequate inter-agency coordination and consultation with stakeholders.

SECTION VIII – BANK DUE DILIGENCE

32. The Bank carries out ES due diligence of all proposed projects, including as required by OP/BP 10.00. The ES due diligence is appropriate to the nature and scale of the project, and proportionate to the level of ES risks and impacts.
33. The Bank's ES due diligence assesses whether the project is capable of being developed and implemented in accordance with the ESSs or, where the Bank is relying on the Borrower's ES Framework for all or part of the project, whether the project is able to achieve objectives materially consistent with the ESSs.
34. The Bank reviews all relevant project information and documents provided by the Borrower. If the Bank has insufficient information to conduct its due diligence, it requests additional and relevant information from the Borrower.

35. If a project is classified by the Bank as *High Risk or Substantial Risk*, the Bank's due diligence includes site visits by an environmental and/or social specialist, as appropriate.

36. In particular, as part of the Bank's due diligence, the Bank:

- a. reviews relevant aspects of the ES assessment with the Borrower;
- b. assesses the adequacy of the institutions responsible for management of ES risks and impacts;
- c. discusses and agrees with the Borrower on the adequacy of financing arrangements for the measures and actions set out in the legal agreement, including the ESCP;
- d. determines whether the recommendations of the ES assessment are properly addressed in project design;
- e. discusses with the Borrower the measures and actions and a completion date for such measures and actions to be included in the ESCP; and
- f. reviews the Borrower's ES Framework and time table for gap filling measures, if applicable.

37. Based on the results of the Bank's due diligence, the Bank:

- a. confirms or revises the risk classification of the project;
- b. agrees with the Borrower on the measures and actions and a completion date for such measures and actions to be included in the legal agreement, including the ESCP;
- c. ensures that the ESCP is attached to legal agreement and that the legal agreement takes into account the findings of the ES assessment, the Bank's ES due diligence, and the results of engagement with stakeholders;
- d. includes ES-related covenants in the legal agreement, and in the monitoring system for the project; and
- e. prepares the ESRS.

38. The ESRS sets out an accurate and comprehensive record of the Bank's due diligence of the project, and includes the following:

- a. an accurate description of the project and any Associated Facilities (as defined in ESS1);
 - b. a description of the key potential ES risks and impacts of the project;
 - c. the sources of information on which the Bank's due diligence and the ESRS has been based;
 - d. a discussion of the key ES risks and impacts by reference to the relevant ESS, and the proposed mitigation measures; and
 - e. a summary of the key measures and actions agreed to in the legal agreement, including the ESCP, together with timeframes for implementation.
39. Where a project involves subprojects, the Bank agrees and documents arrangements with the Borrower to ensure that the implementing institutions will be able to carry out or oversee the ES assessment of proposed subprojects and/or conduct appropriate due diligence, and that an appropriate division of responsibilities is agreed upon and the required expertise is made available.

SECTION IX – BORROWER'S ES FRAMEWORK

40. In accordance with paragraph 24 of the Policy, the Bank evaluates the extent to which the use of the Borrower's ES Framework will enable the project to achieve objectives materially consistent with the ESSs. It also assesses the extent to which the use of the Borrower's ES Framework will support the design and implementation of mitigation measures consistent with the mitigation hierarchy set out in ESS1 and as relevant in the ESSs. Depending on the nature of the risks and impacts of the project, the review of the Borrower's ES Framework may include an assessment of the consistency of specific aspects of the Borrower's ES Framework against specific requirements of the ESSs.
41. The aspects of the Borrower's ES Framework that are relevant for the Bank's review vary from project to project, depending on factors relevant to the project including, the type, scale and complexity of the project and the potential ES risks and impacts of the project (including, but not limited to, those identified in the ESSs).
42. The Bank's review of the Borrower's ES Framework includes a review of:
- a. the country's general policy, legal and institutional framework, as these are relevant to the specific ES risks and impacts of the project;

- b. laws, regulations, rules and procedures (including permits and approval requirements) applicable to the project's sector, including regional and local requirements that are relevant to the ES risks and impacts of the project;
- c. inconsistencies, lack of clarity or conflict as to relevant authorities or jurisdiction, including differences between national and regional/local authorities or jurisdictions;
- d. previous experience with the Bank or other IFIs and the track record of the Borrower and the national, subnational, sectoral and local institutions involved in the preparation and/or implementation of the project, including stakeholder engagement; and
- e. technical and institutional capacity of the Borrower and relevant national, subnational or sectoral implementing institutions or agencies related to the project, as these are relevant to the ES risks and impacts of the project.

43. In reviewing the Borrower's ES Framework, the Bank:

- a. assesses whether use of the Borrower's ES Framework will enable the project to achieve objectives materially consistent with the ESSs;
- b. identifies gaps in the Borrower's ES Framework that would prevent the project from achieving objectives materially consistent with the ESSs;
- c. identifies project-specific actions and measures to fill the identified gaps;
- d. identifies gaps in the Borrower's ES Framework for which there are no feasible project-specific actions and measures; and
- e. recommends whether to use all or part of the Borrower's ES Framework.

44. The Bank works with the Borrower to agree on project-specific measures and actions to address the identified gaps in the Borrower's ES Framework. The Bank ensures that the ESCP incorporates such measures and actions, as well as the agreed timeframes and all the relevant information to ensure the implementation of these actions and measures.

45. The Bank may also recommend not using the Borrower's ES Framework. This may be appropriate in such cases where, *inter alia*, the project is complex and *High Risk*; capacity and institutional aspects are limited; the context is one of fragility and/or conflict; or gaps have been identified for which no project-specific actions and measures are feasible.

46. The use of the Borrower's ES Framework is subject to clearance by the CESSO.

47. Bank staff monitors the application of the Borrower's ES Framework to the project, the Borrower's implementation and enforcement practices, track record and capacity in accordance with the Bank's review and the project-specific measures and actions identified in the ESCP, for the duration of the project.
48. Where the Bank has been notified by the Borrower of a significant change in the Borrower's ES Framework that may adversely affect the project, the Bank assesses the extent to which the change is inconsistent with the ESSs and the ESCP and discusses with the Borrower ways to address the change, and agree on any additional actions and measures that may be required.

SECTION X – OTHER MULTILATERAL OR BILATERAL FUNDING AGENCIES

49. Where the Bank has agreed:
- a. on a common approach for the assessment and management of ES risks and impacts of a project or Associated Facilities;
 - b. to apply the requirements of other multilateral or bilateral funding agencies for the assessment and management of ES risks and impacts of a project involving an FI; or
 - c. to apply the requirements of other multilateral or bilateral funding agencies for the assessment and management of ES risks and impacts of a project involving Associated Facilities;

the Bank records this agreement in the legal agreement, including the ESCP, and in the PAD.

50. In determining whether the common approach or the requirements referred to in paragraph 49 above are acceptable, the TT takes into account the policies, standards and implementation procedures of the multilateral or bilateral funding agencies.
51. Where the Bank has agreed to apply a common approach or rely on the requirements of other agencies, the Bank may choose to rely on the ES due diligence, supervision and implementation support conducted by such agencies.
52. If the Bank chooses to rely on the activities of other agencies for preparation or implementation support, the Bank concludes written arrangements with such agencies and the Borrower, which are designed to ensure that the Bank is kept adequately informed on an ongoing basis of:
- a. the status of the project's compliance with the agreed ES requirements;

- b. any material changes to the agencies' ES policies and procedures; and
 - c. the material consistency of the implementation of the proposed project with the objectives of the ESSs.
53. The measures and actions that have been agreed with such agencies and the Borrower are included in the legal agreement, including the ESCP.

SECTION XI – MONITORING AND IMPLEMENTATION SUPPORT

54. In accordance with OP/BP 10.00, the Bank carries out regular reviews of the Borrower's compliance with the ES requirements relating to the project, as set out in the legal agreement, including the ESCP. The review activities are appropriate to the type and scope of the requirements, and include:
- a. reviewing monitoring reports;
 - b. conducting monitoring site visits;
 - c. reviewing project-related information that may become available;
 - d. reviewing the Borrower's compliance with ES requirements, including covenants, disbursement conditions prior to all disbursements, and the ESCP;
 - e. advising the Borrower on how to manage ES project issues; and
 - f. communicating risks and probable consequences of Borrower failure to comply with the ES requirements, and initiating remedies if the Borrower fails to (re)establish compliance.

SECTION XII – DISCLOSURE

55. The Bank applies the World Bank Policy on Access to Information with regard to all documents provided to it by the Borrower.
56. The TT ensures that sufficient information about the potential risks and impacts of the project is made available by the Borrower in a timely manner, in an accessible place, and in a form and language understandable to project-affected people and other interested parties, as set out in ESS10, so they can provide meaningful input into project design and mitigation measures.

SECTION XIII – PROJECT DOCUMENTS

57. The TT ensures that the documents relating to the ES assessment and management of the project provide adequate, accurate and up to date information regarding the potential risks and impacts of the project, and the agreed mitigation measures.
58. The Bank summarizes in the PAD material information relating to the assessment and management of the ES risks and impacts of the project, including:
- a. key features of the project and any Associated Facilities;
 - b. the potential ES risks and impacts;
 - c. the reasons for the project classification;
 - d. the type of ES assessment conducted, and the tools used;
 - e. any potential risks and impacts that require specific attention, including those addressed by ESS2-ESS9;
 - f. key mitigation measures and actions;
 - g. the feasibility of the proposed measures and actions, and the risks associated with implementation;
 - h. details of consultations with stakeholders, including project-affected parties, including the issues raised and how they have been taken into account;
 - i. institutional arrangements, timetable, budget, including adequate and timely provision of counterpart funds, and performance monitoring indicators;
 - j. details of the ES requirements of the legal agreement, including the ESCP, including the timeframe and manner agreed with the Borrower for implementation of relevant measures and actions; and
 - k. details of the ES representations, conditions and covenants.
59. The TT includes an updated ESRS as an attachment to the PAD.

SECTION XIV – WAIVER

The provisions of this Procedure may be waived in accordance with the Waiver Policy and Procedure.

SECTION XV – EFFECTIVE DATE

This Procedure is effective [*insert date*].

SECTION XVI – ISSUER

The Issuer of this Procedure is [*OPCS VP*].

SECTION XVII – SPONSOR

The Sponsor of this Procedure is [*CESSO*]. Questions regarding this Procedure should be addressed to the Sponsor.

SECTION XVIII – RELATED DOCUMENTS

The World Bank Access to Information Policy

Operational Policy and Bank Procedures (OP/BP) 10.00, Investment Project Financing

Operational Policy and Bank Procedures (OP/BP) 4.03, Performance Standards for Private Sector Activities

Operational Policy and Bank Procedures (OP/BP) 7.50, Projects on International Waterways

Operational Policy and Bank Procedures (OP/BP) 7.60, Projects in Disputed Territories

Operational Policy Waivers

The World Bank Group Environmental, Health and Safety Guidelines (EHSGs)