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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 Studies

*Phase 3 Consultation
Cairo
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Content

- “Road Testing” the new ESSF for operational implications
- **Project Case Studies:**
 1. **Power Generation Development (Giza North)**
 2. **Integrated Sanitation and Sewerage Infrastructure II**

- **Discussion**



Objective

What changes, What does not?

1. What are the new requirements, if any?
2. What requirements are dropped, if any?
3. What changes in required effort or expertise?
4. What is the added Value?

From Safeguards to Standards

Standard	Building on	Modernizing
ESS1: Assessment and Management of ESS Risks and Impacts	OP/BP4.01 (Environmental Assessment)	Non-discrimination, adaptive management, time frame for compliance
ESS2: Labor and working conditions	OP/BP4.01 and EHS Guidelines	Prohibiting child labor and forced labor, focus on OHS, grievance mechanism
ESS3: Resource Efficiency and Pollution Prevention	OP4.09 (Pest Management) and EHS Guidelines	Efficient management of energy, water, and other resources and materials
ESS4: Community Health and Safety	OP/BP4.37 (Safety of Dams) and EHS Guidelines	Focus on risks and impacts on communities through design and safety of infrastructure, equipment, products, services, traffic, and hazardous materials
ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	OP/BP4.12 (Involuntary Resettlement)	Greater clarity on treatment of state land, land titling, access to common resources, voluntary transactions, force evictions
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	OP/BP4.04 (Natural Habitats) and OP/BP4.36 (Forests)	Requirement to assess and mitigate impacts on biodiversity
ESS7: Indigenous Peoples	OP/BP4.10 (Indigenous Peoples)	Clearer definitions, introduction of FPIC in specified circumstances
ESS8: Cultural Heritage	OP/BP4.11 (Physical Cultural Resources)	Adopt chance find procedure, enhanced consultation with affected communities
ESS9: Financial Intermediaries	OP/BP 4.01	Establish E&S procedures commensurate with FI nature, risk level and impact
ESS10: Information Disclosure and Stakeholder Engagement	Consolidates WB engagement provisions	Meaningful consultation, access to information and grievance redress

Giza North Electric Power Project

Project facts:

Objectives: The project development objective is to contribute to improving the security and efficiency of electricity supply by adding new generation capacity based on the most efficient thermal power generation technology.

Financing (US\$): 812m (IBRD 600m, EIB 307m, OPEC 30m co-financing)

Additional financing IBRD 240m approved in February 2012

Environmental Category: A

Safeguards Triggered: Environment Assessment (OP 4.01), Involuntary Resettlement (OP 4.12)

Safeguards Instruments: Environmental and Social Impact Assessment (ESIA) for power plant and gas pipeline, which includes ESMP, Resettlement Policy Framework (RPF), RAPs, Quantitative Risk Assessment Study, revised ESIA for power plant

Approved: 06/08/2010, Due to close December 31, 2016

Project Description:

Component 1 – Development and construction of 1500-MW combined cycle gas turbine power plant (burn natural gas as the main fuel) and associated infrastructure (transmission lines, gas supply lines, access road and potable water connections)

Component 2 – Technical assistance: i) support for promotion of private sector investment in electricity generation (IPP at Dairut), ii) development of power sector strategy for next 7-10 years, iii) support for promotion of energy efficiency.

PRACTICAL IMPLICATIONS OF APPLYING ENVIRONMENTAL AND SOCIAL SUSTAINABILITY FRAMEWORK



From Safeguards to E&S Standards



SAFEGUARDS POLICY		GIZA
4.01	ENVIRONMENTAL ASSESSMENT	✓
4.04	NATURAL HABITATS	
4.36	FORESTS	
4.09	PEST MANAGEMENT	
4.11	PHYSICAL CULTURAL RESOURCES	
4.37	SAFETY OF DAMS	
7.50	PROJECTS ON INTERNATIONAL WATERWAYS	✓
7.60	PROJECTS IN DISPUTED AREAS	
4.12	INVOLUNTARY RESETTLEMENT	✓
4.10	INDIGENOUS PEOPLES	

CATEGORY A



HIGH RISK

ESS STANDARD	Giza
ESS1: Assessment and Management of ESS Risks and Impacts	✓
ESS2: Labor and working conditions	✓
ESS3: Resource Efficiency and Pollution Prevention	✓
ESS4: Community Health and Safety	✓
ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	✓
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	✓
ESS7: Indigenous Peoples	
ESS8: Cultural Heritage	✓
ESS9: Financial Intermediaries	
ESS10: Information Disclosure and Stakeholder Engagement	✓

Implementation of Safeguard Policies (Actual)

Key environmental impacts/risks: ESIA and ESMP prepared for power plant, TLs, gas pipelines and associated access road for both the construction and operations phases. Environmental impacts include: air emissions, dust, noise, vibration, water quality, worker safety. The key issues specifically identified in the ESIA: NOX emissions, generation and disposal of liquid effluents including cooling water, noise and socio-economic impacts.

Key features of assessment and implementation:

- ✓ Public consultation
- ✓ Associated infrastructure
- ✓ Additional Financing in 2012
- ✓ Inspection Panel complaint - Eligibility reviewed, IP recommended to the Board that no investigation be undertaken as both project and Bank management had undertaken adequate actions to address the complaints.

Key social impacts/risks: Social impacts largely include land take, public health and well-being, workers' health and safety. The ESIA identified socio-economic impacts such as employment opportunities (95% use of local labor during construction), local development (increased demand for local services, materials and products) as well. The plant was constructed on land belonging to CEPC. Associated infrastructure such as TLs, gas pipeline, access road and potable water connections required land acquisition and/or crop compensation. An RPF was prepared.

Key features of assessment and implementation:

- ✓ IP complaint was around impacts of project on people and livelihoods (agriculture) – groundwater levels, drainage, pollution, fisheries, consultation and transparency, etc.

ESS1: Assessment & Management of E & S Risks & Impacts

New Requirements/Approaches?	Scope?	Effort? expertise?	Value?
Use of Borrower's E & S System to the extent possible	Applicable elements of Borrower's Framework (EIA, etc.)	WB assessment of applicable laws, regulations, practices, based on information provided by Borrower: <ul style="list-style-type: none"> • can it deliver outputs consistent with the ESS? • capacity building investments? 	Minimize incremental requirements, recognize and strengthen country systems
E & S Assessment	Assessment of social issues more explicitly integrated into ESIA	Some additional effort perhaps in the Social Assessment to include more focused assessment on fishermen and livelihoods as well as any vulnerable groups affected by the project.	Social issues more focused, specific reference to vulnerable groups
E & S Commitment Plan	Expanded version of EMP, including both E & S requirements	Limited additional effort, as EMP includes monitoring, capacity building, etc. May add time bound action plans.	Consolidated Plan for E&S requirements
Project Monitoring & Reporting	More explicit requirements, throughout life of project		Risk classification changes over project implementation, no need for formal restructuring

ESS2: Labor & Working Conditions

New Requirements?	Scope?	Effort? Expertise?	Value?
Working Conditions & Management of Worker Relationships	Applies to people engaged in work on project activities, including contracted workers	Assess applicable national laws/regulations; provisions in ESCP for any gap filling (implementation and monitoring)	
Protecting the Work Force	Applies to all project workers	Effort level low as principles of OHS are included in bidding documents and EHSGs.	
Grievance Mechanism	Applies to all project workers	May be added to ESMP or SEP	
Occupational Health & Safety (OHS)	Applies to all project workers	OHS measure generally included ESMP and EHSGs. However, application is more explicit.	
Contracted Workers	Applies to workers engaged by contractors doing civil works	Review of written labor management procedures/practices PIU to ensure relevant protections in contracts, monitor compliance	
Workers in Community Labor	No community labor on project activities	N/A	
Primary Supply Workers	Applies to workers of primary suppliers of construction materials (building aggregate, sand and clay, etc.)	Additional work required to ascertain any significant risk of harmful child labor or forced labor. PIU to ensure relevant protections in contracts, monitor compliance	10

ESS3: Resource Efficiency & Pollution Prevention & Management

New Requirements?	Scope?	Effort? Expertise?	Value?
Resource Efficiency	Significant user of energy, water and raw materials.	Limited incremental effort as resource efficiency issues largely addressed in ESIAs, but may include more explicit targets and monitoring	Perhaps being more explicit within the ESIA could have addressed groundwater level complaints?
Pollution Prevention & Management	Requires direct GHG emissions estimation and reporting for projects expected to produce significant level of emissions. Threshold TBD and set out in Guidance.	Moderate level of effort to measure and monitor GHG emissions.	Clearer requirement to apply EHSs, direct link with broader CC agenda

ESS4: Community Health & Safety

New Requirements?	Scope?	Effort? Expertise	Value?
Community Health & Safety	Impacts of project activities on community H&S Particular reference to road safety	Minimal considering the work done in ESIA, QRA and emergency preparedness planning part of the project.	
Security Personnel	N/A		

ESS5: Land Acquisition, Restrictions on Land Use & Involuntary Resettlement

New Requirements?	Scope?	Effort? Expertise	Value?
General	No change		
Displacement			
Collaboration with Other Responsible Agencies or Subnational Jurisdictions			
Technical & Financial Assistance			

ESS6: Biodiversity Conservation & Sustainable Management of Living Natural Resources

New Requirements?	Scope?	Effort? Expertise	Value?
General	Address both natural and modified habitats; biodiversity and ecosystem services; on-ground and aerial components of habitat; direct and indirect impacts	ESIA addressed many of the issues. Perhaps deeper dive into fisheries as it relates to both natural resources and livelihoods?	Modified habitats can have significant biodiversity and ecosystem value
Primary Suppliers	No expected sourcing of living natural resources		

ESS8: Cultural Heritage

New Requirements?	Scope?	Effort? Expertise	Value?
General	PCR addressed in ESIA	Minimal as Chance Finds Procedures in place	
Stakeholder Consultation & Identification of Cultural Heritage			
Legally Protected Cultural Heritage Areas			
Provisions for Specific Types of Cultural Heritage			
Commercialization of Cultural Heritage			

ESS10: Stakeholder Engagement & Information Disclosure

New Requirements?	Scope?	Effort? Expertise	Value?
Engagement during Project Preparation	Preparation of Stakeholder Engagement Plan	Little or no additional- project and RPF have provisions for consultation (GRM, citizen engagement, etc.)	
Engagement during Project Implementation & External Reporting	Active engagement throughout project, beyond establishing Grievance Mechanism		
Grievance Mechanism			
Organizational Capacity & Commitment			

Operational Implications of Proposed Framework: Giza North

Borrower: overall low incremental change in scope of work and resources; decreasing marginal costs as capacity increases

Bank: similar low incremental change

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