

Review and Update of the World Bank's Environmental and Social Safeguard Policies Phase 3 Feedback Summary

Date: January 25-27, 2016 Location: Brussels, Belgium

Audience: Multi-stakeholders, including government representatives, CSOs, and academics from across Europe

ESF	Issue	Items	Feedback
Vision	Human Rights	1. Approach to human rights in the ESF	 There was a question regarding the way to track Borrower's implementation of international agreements in the area of human rights. Participants demanded that the ESF explicitly reference international human rights law/instruments. Moreover, it was also requested that the Bank include explicit references to human rights in the ESF instead of implicitly referring to them in the social assessment. Some participants regretted that the vision statement did not go beyond "aspirations" with respect to the Universal Declaration of Human Rights and urged the Bank to commit explicitly to respect for human rights, understood as an obligation of means. Human rights should be effectively integrated into the ESF. The integration of human rights in the Bank's project cycle would help the Bank avoid problems before they get out of hand. The Bank is already doing

- this on an *ad hoc* basis. The problem is that it is doing so too late, and only in isolated cases.
- In fact, participants stated that since most states have already agreed to international treaties, the Bank should be able to take those obligations into account as part of its own due diligence.
- Participants disagreed that human rights are outside the mandate of the Bank. There were accordingly demands to pay explicit attention to the linkages between human rights, project development outcomes, and economic development. As a minimum, Bank funded projects should respect Borrowers' international obligations, including human rights obligations; the Bank should not fund projects that may place Borrowers in breach of their international obligations.
- The "political prohibition" in the Bank's Articles should not be interpreted restrictively. It was noted that the issue of human rights is not political but legal as it relates to international law/standards. Moreover, the World Bank has done extensive work on human rights for a long time. The Bank should take the same approach to human rights as it does with other issues, such as criminal justice support, as outlined in the General Counsel's 2012 legal opinion.
- Participants commented that the World Bank is a member of the UN family, and accordingly there should be no problem in including a reference respecting international human rights obligations.
- One participant mentioned that, in light of recent developments in the business and human rights area, namely the uptake of the UN Guiding Principles on Business and Human Rights (UNGP) following their unanimous endorsement by the UN Human Rights Council in June 2011, the World Bank may find that its policies are not consistent with these developments if it

			 does not incorporate them into its policies with a more human rights-based approach. It was suggested that a direct reference be made to the UNGP in the Bank's policies. Participants repeatedly expressed that the Bank should explicitly state that its operations should neither harm nor violate Borrowers' human rights obligations. The World Bank's existing "do no harm" provision in OP 4.01/4.36 should be retained and expanded to the social sectors in line with the expanded scope of the ESS's, and be grounded explicitly in international human rights law. Human rights should be integrated into the Bank's Strategic Country Diagnostic and initial risk classification, which would in turn trigger more serious social risk assessment and the engagement of human rights expertise at an early stage. Human rights should also guide the Bank's assessment of Borrower frameworks and should inform risk mitigation plans.
ESP/ ESS1	Non-discrimination and vulnerable groups	 Explicit listing of specific vulnerable groups by type/name (age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or indigenous status, and/or dependence on unique natural resources) Specific aspects of the non-discrimination principle in complex social and political contexts, including where recognition of certain groups is not in accordance with national law 	 It was recommended that the term "disadvantaged or vulnerable groups" be replaced with "marginalized groups" throughout the ESF in order to better characterize members of such groups as individual rightholders. On the listing of vulnerable groups, participants requested that it should be clear that the list is open and not restrictive and that the Bank should add "other social groups" to the list. Also, participants asked that the Bank add other characteristics such as culture, language, belief, descent, politics, migration, and different opinions. Participants asked for a specific standard on gender. There was a request to use stronger, more precisely defined language on accessibility, and to refer to persons with disabilities in the main text, not only in footnotes.

Use of Borrower's Environmental and Social Framework	 4. Role of Borrower frameworks in the management and assessment of environmental and social (E&S) risks and impacts where these will allow projects to achieve objectives materially consistent with Environmental and Social Standards (ESSs) 5. Approach for making decision on the use of Borrower frameworks, including the methodology for assessing where frameworks will allow projects to achieve objectives materially consistent with the ESSs, and the exercise of Bank discretion 6. Role of Borrower frameworks in high and substantial risk projects 	Participants expressed that persons with disabilities should be consulted and engaged more in Bank projects. Participants suggested that the ESF should refer to the United Nations Convention on the Rights of the Child (CRC) as the basis for safeguarding children's rights. There were concerns about LGBT issues, given that many suggestions submitted by CSOs are not reflected in the current draft ESF. Participants urged the Bank to strengthen the language on SOGIE. There was a question about the Bank's strategy towards countries that are blocking suggestions pertaining to SOGIE. Some participants commended the ESF's inclusion of language on discrimination but still believe that the wording leaves much to be desired. Some participants were concerned that there is no real mention of country systems except in one phrase in ESS1. According to participants, the methodology for assessing Borrower frameworks is not clear in the ESF and should have been part of this consultation.
Co-financing/ common approach	7. Arrangements on E&S standards in co- financing situations where the co-financier's standards are different from those of the Bank	

Adaptive risk management 8. Approach to monitoring E&S compliance and changes to the project during implementation 9. Some participants pointed out that a paper on the nerisk tool was scheduled for discussion in March by CODE, and wondered why the main findings of tha paper could not have been shared with the participa better underpin the Brussels consultations. 9. Some participants wondered how the new risk approach (SORT) and asked management to elaborate on the lessons learned from SORT, the operational risk management tool launched in 2014. 10. Other participants considered that there is a collision between the different philosophies — a risk analysis approach and a human rights-based approach. 11. It was noted that there are possible limits pertaining the assessment of risks. 12. Further clarifications were sought on the Bank's ow due diligence with respect to monitoring and supervision. Participants asserted that the Bank khold define its visi-à-vis the gaps identified when risk assessments undertaken. 13. Participants asserted that the Bank khold define its visi-à-vis the gaps identified when risk assessments undertaken. 14. There was a concern that adaptive risk management gives too much flexibility for interpretation by staff. 15. The focus on monitoring and supervision was welco by participants, but they believe that adaptive risk management can result in harm. There should be a prescriptive upfront approach to safeguards. 16. Under Paragraph 50 of the ESP, participants indicat that a sentence was removed pertaining to the Bank right to carry out independent consultation activities.	oach n s g to yn ments are to be e risk t c comed
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			 high risk projects. This should be reinstated and applied to all projects, as it is essential to the Bank's supervisory role. Participants inquired about whether there will be indicators to monitor merits of the implementation. Some participants mentioned the refugee crisis and suggested that the Bank take the issue of refugees into account in the context of adaptive risk management, as doing so could be of added value.
	Risk classification	9. Approach to determining and reviewing the risk level of a project	 It was noted that the definition of "substantial" risk is too vague. Many concerns were raised about risk categorization and the fact that it would require allocation of more resources and additional training. Further clarification was also sought on how the Bank performs risk categorization.
ESS1	Assessment and management of environmental and social risks and impacts	 10. Assessment and nature of cumulative and indirect impacts to be taken into account 11. Treatment of cumulative and indirect impacts when identified in the assessment of the project 12. Establishing project boundaries and the applicability of the ESSs to Associated Facilities, contractors, primary suppliers, FI subprojects and directly funded sub-projects 13. Circumstances under which the Bank will determine whether the Borrower will be required to retain independent third party specialists 	 Participants asked for further clarification regarding CSOs' role under ESS1. ESS1 should clearly state that local CSOs are to be involved in the implementation of safeguards. It was suggested that the Bank needs to independently verify the ESIAs submitted by the Borrower. Questions were raised with respect to the project boundaries and whether safeguards standards should be applied to all associated facilities. Participants asked why under ESS1, although the draft discusses the "application of a mitigation hierarchy," there is no language on avoiding detrimental impact. There was concern about the extent to which ESS1 takes into account potential indirect impacts. With respect to third party monitoring, there was a question on whether requirements can be nailed down, especially for higher risk projects.

	Environmental and	14. Legal standing of the ESCP and	 Participants asked for clarification in ESS1 about how applying safeguards instruments for high risk projects differs from doing so for other projects. The draft ESF does not yet seem to strike an appropriate balance between "up front" and downstream risk management. The Bank should make deferral of risk appraisal after Board approval the exception to the rule, make this clear in the policy text, and make any exceptions subject to third party monitoring, routine audits, and an evaluation after an initial implementation period. The ESF stipulates that, with regard to residual impacts, compensation is only possible if technically and financially feasible. Residual impacts may be substantial, e.g. in the case of people affected downstream of a dam. If human rights impacts are significant, compensation and rehabilitation cannot be made dependent on technical/financial concerns. Concern was expressed that the phrase "technically and financially feasible" would allow the Borrower an optout. Further clarifications were sought on the definition of Good International Industrial Practice.
	Social Commitment Plan (ESCP)	implications of changes to the ESCP as part of the legal agreement	
ESS2	Labor and working conditions	 15. Definition and necessity of and requirements for managing labor employed by certain third parties (brokers, agents and intermediaries) 16. Application and implementation impacts of certain labor requirements to contractors, community and voluntary labor and primary suppliers 	 The ESF stipulates that it is in line with ILO standards. According to participants, this statement is not enough and is not in harmonization with other IFIs. The text should have a more explicit linkage to the ILO standards in order to avoid regional differences. Participants asked that ESS2 should stipulate the minimum age of workers.

		 17. Constraints in making grievance mechanisms available to all project workers 18. Referencing national law in the objective of supporting freedom of association and collective bargaining 19. Operationalization of an alternative mechanism relating to freedom of association and collective bargaining where national law does not recognize such rights 20. Issues in operationalizing the Occupational Health and Safety (OHS) provisions/standards 	 In discussing ESS2, participants stated that non-discrimination is a legally binding principle according to international law. The draft ESF suggests that national law can take precedence where there is a contradiction with the requirements of international law. This would be a violation of international law and must be amended. Some participants requested that ESS2 include the ILO standards on child and forced labor, and that overall, more attention should be given with respect to children. A question regarding the abuse by third party recruitment agencies was raised. Participants recommended that the Bank use strong language in this respect. Participants indicated that there is a need to have a more comprehensive definition of grievance mechanisms. Furthermore, it was proposed that grievance mechanisms should function as information point at the beginning of the project.
ESS3	Climate change and GHG emissions	 21. The relation between provisions on climate change in the ESF and broader climate change commitments, specifically UNFCCC 22. Proposed approaches to measuring and monitoring greenhouse gas (GHG) emissions in Bank projects and implications thereof, in line with the proposed standard, including determining scope, threshold, duration, frequency and economic and financial feasibility of such estimation and monitoring 23. Implications required for the Borrower of estimating and reducing GHG emissions for Bank projects, in line with the proposed standard 	 Some participants criticized the Bank for removing the threshold and the reference to GHG emissions accounting. There was a question on whether there will be any implications from COP21, and suggestions to include some reference to its outcome. Under ESS3, participants indicated that the policy is not clear and needs to be better articulated.

to project implementation). • Participants called for the rights of people without legal	involuntary resettlement	and approach to forced evictions in situations unrelated to land acquisitions 25. Interpretation of the concept of resettlement as a "development opportunity" in different	 informal land rights. It was indicated that the language under ESS5 (applying it only to cases of land acquisition) puts people at risk of falling between the cracks (e.g. destruction of homes/livelihoods downstream from dams not covered). Participants expressed that ESS1 cannot provide an adequate solution to this problem, as it only allows for "compensation where technically and financially feasible" – NOT restoration of livelihoods. Participants argued that all those economically or physically displaced by Bank-funded projects should have equal protections including restoration of livelihood. Participants stated that this standard excludes NRM
 It was noted that it is the Bank's responsibility to make sure ESS5 is properly implemented as part of its due diligence process. There was a request to make a proper distinction between people with customary tenure on the one hand and informal tenure on the other. Tenure assessment is crucial. 			 There were concerns that RAPs pertaining to subprojects are only reviewed if the project is a high risk project. Hence, it was requested that RAPs for subprojects are reviewed regardless of the project risk rating. Participants reiterated that Resettlement Action Plans should be required before Board discussion (not deferred to project implementation). Participants called for the rights of people without legal entitlements to land to be duly safeguarded. It was noted that it is the Bank's responsibility to make sure ESS5 is properly implemented as part of its due diligence process. There was a request to make a proper distinction between people with customary tenure on the one hand and informal tenure on the other. Tenure assessment is

			 Participants pointed out the dangers of over-reliance on Resettlement Policy Frameworks, which the Independent Evaluation Group has also warned of. They cannot be a substitute for Resettlement Action Plans, and when RPFs are used, there should be an explicit commitment to complete RAPs. There was a request to insert a section on the cultural (i.e. not only the strictly economic) impact of resettlement (e.g. eradication of a micro-culture). Participants stated that the impact of related facilities' on resettlement should also be taken into account (e.g. large harbor also requires new electricity lines, roads, etc.). Some participants believed that ESS5 would not apply to projects of substantial risks, and that projects involving displacement should be classified as high risk by definition.
ESS6	Biodiversity	 26. Operationalization of the provisions on primary suppliers and ecosystem services, especially in situation with low capacity 27. Role of national law with regard to protecting and conserving natural and critical habitats 28. Criteria for biodiversity offsets, including consideration of project benefits 29. Definition and application of net gains for biodiversity 	 There was a concern that the current ESS6 is exclusively focused on biodiversity and has been weakened compared to OP 4.04 and OP 4.36 in terms of consideration for people who live in and depend on forests and their rights to land and resources. Participants urged the Bank to rectify this. Participants stated that there is a need to ensure "no go" areas for critical habitats and culturally significant sites (concerns were raised about the lack of no go area examples). They urged the Bank to go back to the original language. Also, they raised concerns about the lack of examples on no go areas. There should be more focus on ecosystem services not only biodiversity. It was noted that the scope of this standard has to go beyond biodiversity, and language on legal protection of protected areas should be as strong as the previous version of the ESF.

- There were some concerns about whether there would be limits on projects that cause irremediable losses of habitat.
- Participants indicated that since ESS6 is based on IFC Performance Standard (PS) 6, PS6 should be the benchmark.
- Questions were raised regarding the need to use landscape approaches for dealing with ecosystem services and on the definition of critical habitats.
- Definition and application of animal husbandry: In general, participants appreciated the reference to animal husbandry under ESS6 but suggested removing the term "large-scale" from the standard. In addition, participants felt that the reference to "GIIP" is far too broad and vague, and they encouraged improving current language by referring to the Good Practice Note (GPN) of the IFC. It was noted that within the consultation review document, the additional development of a "Guidance note" was announced; participants noted that in addition the GPN should be used as a core document for implementation and review processes in this area.
- There were concerns about the biodiversity offsetting, with participants stating that it should not be done for critical habitats, primary tropical rainforests, or Indigenous Peoples' lands.
- Concerns were raised regarding the lack of mention of land rights. Participants pointed out that the definition of critical habitats currently does not include areas critical to local communities. They added that not protecting forests and habitats can have a very negative impact on local communities.
- There was a request to correct paragraphs 32 to 37.
- Participants criticized that under OP 4.04 the Bank had stated that it does not support projects that involve

			significant conversion of critical habitats; yet the current ESS6 allows for critical habitat for development if the Borrower has no other feasible alternative. • There was an inquiry about whether it would be appropriate to set deforestation targets (limits), especially in the Congo basin. • Participants indicated that there is a lack of criteria pertaining to the practices on sustainable forest management. Moreover, there should be language on independent verification on sustainable management. Participants argued that ESS6 introduces unnecessary language on salvage logging.
ESS7	Indigenous Peoples	 30. Implementation of the Indigenous Peoples standard in complex political and cultural contexts 31. Implementation of ESS7 in countries where the constitution does not acknowledge Indigenous Peoples or only recognizes certain groups as indigenous 32. Possible approaches to reflect alternative terminologies used in different countries to describe Indigenous Peoples 33. Circumstances (e.g. criteria and timing) in which a waiver may be considered and the information to be provided to the Board to inform its decision 34. Criteria for establishing and implementation of Free, Prior and Informed Consent (FPIC) 35. Comparison of proposed FPIC with existing requirements on consultation 36. Application of FPIC to impacts on Indigenous Peoples' cultural heritage 	 Participants found it highly worrying that there will be a discussion about under which circumstances a waiver would be considered, and they called for the question of a waiver to be taken off the table. Participants welcomed the inclusion of FPIC in certain circumstances, however, urged that ESS7 require FPIC to be obtained before implementing any project that may affect the land, resources, culture, and livelihoods of Indigenous Peoples, including activities that affect their access to natural/customary resources and land titling activities. In the current draft FPIC is not required for economic displacement through restriction of access to customary resources. Concerns were raised about the fact that it is up to the Bank to ascertain that FPIC has been obtained; it was recommended that the affected Indigenous Peoples must confirm whether FPIC has been obtained. There was a concern that ESS1 and ESS7 do not explicitly state that Indigenous Peoples should be consulted with respect to the content of impact assessments for projects with potential impacts on their lands, territories, or livelihoods. Participants called for

			 ESS1 and ESS7 to clearly require the involvement of Indigenous Peoples in ESIA processes. Participants insisted that self-identification of Indigenous Peoples (IPs) should be respected. This is required by international law as it flows from the right to self-determination. If not done, it results in discrimination against IPs and denial of their culture/identity. Participants inquired why the Bank is establishing its own approach to Indigenous Peoples, ignoring the 20-year international process that led to the UN Declaration on the Rights of Indigenous Peoples. The Bank says it wants terminology that is more inclusive, but it is clear that not using Indigenous terminology can result in exclusion of their specific needs/rights. If other terms are used, it must be made explicit that the content of ESS7 will still apply. Under paragraph 22 in ESS7, clarifications were sought on the use of the term "land acquisition" since it is not clear how the requirement for FPIC in this paragraph is compatible with land acquisition "as a last resort" or where "necessary" [22 (c) and (f) (i)]. There should be a reference to other minorities that are not considered Indigenous Peoples.
ESS8	Cultural Heritage	 37. Treatment of intangible cultural heritage 38. Application of intangible cultural heritage when the project intends to commercialize such heritage 39. Application of cultural heritage requirements when cultural heritage has not been legally protected or previously identified or disturbed 	It was recommended that under paragraph 7 of ESS8, the requirements should apply to non-physical aspects as well.
ESS9	Financial Intermediaries	40. Application of standard to FI subprojects and resource implications depending on risk	 Participants expressed that ESS9 in the current draft ESF is diluted, since the previous draft stated that the Bank would monitor at the subproject level, but the

		41. Harmonization of approach with IFC and Equator Banks	 current language stipulates that the Bank will just monitor at the FI level. The harmonization with IFC Performance Standards was commended by participants. Participants stated that the first draft ESF required Financial Intermediaries to "screen, appraise and monitor all subprojects in accordance with the environmental and social risk profile of the individual subprojects," but in draft 2 the FI is only required to review and monitor environmental and social risks of its subprojects on a portfolio basis, rather than on a project basis. The question was therefore why this requirement has been dropped.
ESS10	Stakeholder engagement	 42. Definition and identification of project stakeholders and nature of engagement 43. Role of borrowing countries or implementing agencies in identifying project stakeholders 	 On the question of meaningful consultation, participants believed this is an example of how human rights are relevant to the Bank's activities. Consultations may also be necessary for small projects – it depends on the impact. Participants indicated that ESS10 talks about meaningful consultation, but it does not refer to when stakeholders will be involved. Clearer language under ESS10 was requested. Participants also requested that the Bank allow CSOs to conduct shadow reporting instead of relying on Borrowers for information, and to carry out independent consultations. Participants considered there to be a disconnect between a rights analysis and the standards; it would be better to incorporate a rights analysis into ESS10 to see and address issues pertaining to non-discrimination.
General	EHSG and GIIP	44. Application of the Environmental, Health and Safety Guidelines (EHSGs) and Good International Industry Practice (GIIP), especially when different to national law or	

re	easibility and esources for nplementation	where the Borrower has technical or financial constraints and/or in view of project specific circumstances 45. Implementation and resource implications for Borrowers, taking into account factors such as the expanded scope of the proposed ESF (e.g., labor standard), different Borrower capacities and adaptive	 There were concerns about how financial disbursement can go ahead without scoping on environmental issues being completed. Participants asked how to ensure ESMPs are financed. It was made clear by participants that the ESF should be
		management approach 46. Mitigation of additional burden and cost and options for improving implementation efficiency while maintaining effectiveness	 accompanied by an implementation plan and budget figures. Implementation costs should be covered by the regular budget. Some participants demanded to be consulted on the implementation plan. There was a question about the time frame for implementation of the framework. There were questions on whether there will be enough budget to carry out all the new responsibilities, including the evaluation of risks, training, etc. Participants asked the Bank to draft safeguards with language on feasibility so they are not seen by Borrowers as loopholes.
bı in	lient capacity uilding and nplementation upport	 47. Funding for client capacity building 48. Approaches and areas of focus 49. Approach to implementing the ESF in situations with capacity constraints, e.g., FCS, small states and emergency situations 	There was a question on what the Bank will do in terms of strengthening the Borrower's institutional capacity.
D	isclosure	50. Timing of the preparation and disclosure of specific environmental and social impact assessment documents (related to ESS1 and ESS10)	 Some participants expressed that ESS10 is very vague with respect to disclosure, particularly when it comes to the timing and type of information that requires disclosure. It was strongly recommended that detailed ESIAs and RAPs should be disclosed before Board approval. There was also a demand to make all safeguards documents publicly available at least 120 days ahead of Board

	Implementation of the ESF	 51. Bank internal capacity building, resourcing, and behavioral change in order to successfully implement the ESF 52. Ways of reaching mutual understanding between Borrower and Bank on issues of difficult interpretation 	 approval. Other participants asked for full disclosure of all draft project documents prior to appraisal missions. Participants asked for further clarifications about the Bank's responsibility if the ESSs are not properly implemented. More information was sought on the implementation plan, including Borrower support and capacity building. In particular, the participants inquired about the metrics that will be used to determine success. There were questions on how the new framework would affect the project cycle, particularly since the Borrower
Other iss	sues		 claims it will increase preparation time. Some participants commented that the ESF is only applicable to IPFs. Yet, the use of other financing instruments such as DPOs and P4Rs is increasing, and environmental and social risks can be very high (e.g. DRC forest policy project). Thus, it was strongly recommended that the Bank look at how to extend the same safeguards to those instruments. Clarifications were sought on the meaning of "implementability" and whether it entails more relaxed standards. Participants asked whether the ESF implementation plan and guidance notes will be subject to consultations. The extensive nature of the consultations was commended. Yet, some participants expressed that the ESF does not take into account feedback loops which are needed for peace, stability, environmental and ecological development, and human rights. Participants expressed that Bank guidance notes should be mandatory. It was noted that the ESF is difficult to understand and that the cross-referencing should be better explained.

- Some participants expressed concern about the removal of "sustainable development" from the ESF's title, which unlike the title from the previous draft, favors a more narrow approach focusing only on "investment projects." It is recommended that the title be changed back to include "sustainable development" in keeping with the Vision of the framework.
- Participants indicated that overall the ESF focuses excessively on Borrowers. Bringing CSOs and government closer together is crucial for development. The role of local civil society is not articulated enough in the draft, even though their involvement is needed.
- There was a suggestion to consider drafting "best practice" reference documents to enhance implementation.
- Participants regretted weakened language in the new draft: "mitigate and compensate" became "mitigate and reduce where possible."
- There were requests to include ecosystem services under ESS1 and/or ESS6.
- Further clarification was sought on how the Bank defines the rule of law.
- There was a concern that the ESF has some loopholes, particularly on social issues, and that the mitigation hierarchy and offset language still need to be strengthened.
- Participants recommended that Systematic Country Diagnostics be linked to the ESF.