



**THE WORLD BANK**

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Operations Policy & Country Services

# Setting Standards for Sustainable Development

## Update and Review of the World Bank's Safeguard Policies

*Project Case Studies*

*Phase 3 Consultation in  
Brussels, Belgium  
January 25-27, 2016*

# **“Road Testing” the new ESSF for operational implications**

## **Project Case Studies:**

- 1. Lebanon Water Supply Augmentation Project**
- 2. Bangladesh Promotion and Financing Facility**



# Objective

## What changes, What does not?

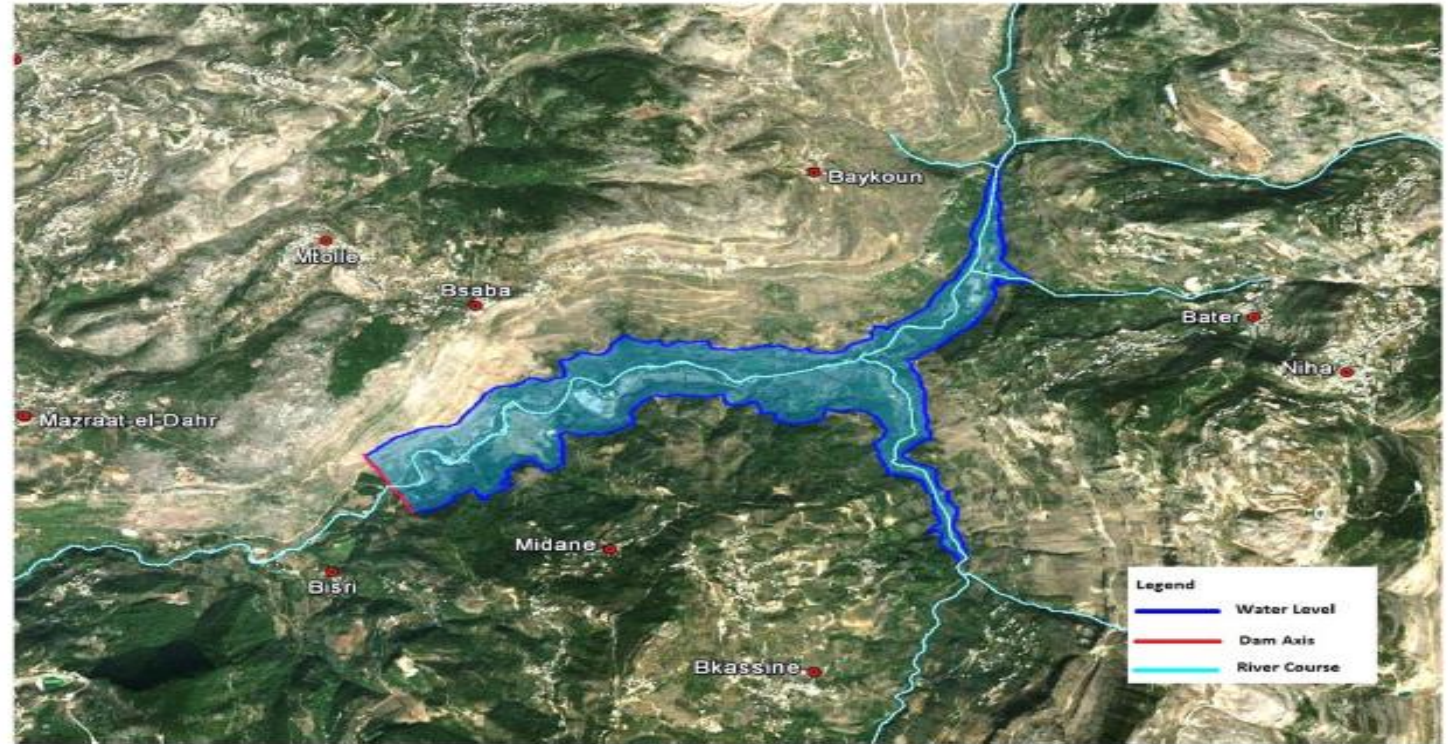
1. What are the new requirements, if any?
2. What requirements are dropped, if any?
3. What aspects require additional clarification or operational guidance, if any?
4. What changes in required effort or expertise?
5. What is the added value?

# From Safeguards to E&S 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



# Lebanon Water Supply Augmentation Project (“Bisri”)



# Project Facts

**Objectives:** Increase the volume of water available to the Greater Beirut and Mount Lebanon area (through the construction of the Bisri water supply dam and associated infrastructure)

- **Component 1** – Construction of Bisri dam and associated infrastructure (water supply dam, hydropower station, access road, pipeline, and expansion of water treatment plant). Reservoir 434 ha; 116 Mm<sup>3</sup>; 4 km Transmission line; access roads
- **Component 2** – Support to sustainability service delivery - TA O&M of dam, water resources management, awareness campaigns, sewerage networks, etc.
- **Component 3** – Project Management and quality assurance
- **Component 4** – Expropriation and Resettlement compensation – 570 hectares of land acquired, assistance for livelihood restoration, benefit sharing program

**Approved:** 09/30/2014. Recently became effective



# POTENTIAL IMPACTS/RISKS IDENTIFIED IN ESIA

**Phases:** Impoundment/Inundation and Operation

**Locations:** Dam site, reservoir, ancillary infrastructure, upstream catchment, downstream riverine system

## Environmental Impacts:

- Erosion and sedimentation affecting life of dam (need for reforestation/management at reservoir rim and upper catchment)
- Biodiversity and habitats: direct loss of riparian and terrestrial habitats within recognized fragile/vulnerable ecological zones (non-critical habitats); downstream water flow; blocking migratory fish
- Dam fill materials: 6 million m<sup>3</sup> (taken from inundation area and commercial quarries)
- Deforestation and GHG emissions (reservoir inundation)
- 26 designated archaeological sites, one heritage site within project (acquisition) area; rescue archaeology
- Standard construction issues (waste management, traffic disruptions, workers health and safety, worker camps, dust, etc.)
- Dam safety concerns, flood risks, strong seasonal variation in reservoir water level
- Water supply and quality (upstream and downstream)

## Social Impacts:

- **Land acquisition** (dam site, reservoir, buffer zone, power plant, transmission line, water conveyor, access road)
  - 570 ha with (non-residential) structures; 861 landowners, mostly absentee landowners
  - Residential households (6 landowners; Tenant Households (8 Lebanese, 35 non-Lebanese including some refugees)... no Indigenous People but some vulnerable (e.g. farm laborers with no formal employment)
  - Relocation of accommodations for seasonal farm workers
- **Economic displacement:** agriculture, livestock, fishing
- Relocation of church/monastic remains
- Public health/well-being
- Induced development (indirect impacts)

## **Environmental Category: A**

### **Safeguard policies Triggered:**

- Environment Assessment (OP 4.01),
- Natural Habitats OP/BP 4.04,
- Forests OP/BP 4.36,
- Physical Cultural Resources (OP 4.11),
- Involuntary Resettlement (OP 4.12)
- Safety of Dams OP/BP 4.37

### **Safeguards Instruments:**

- Environmental and Social Impact Assessment (ESIA) including ESMP, Annex on Biodiversity Management Plan; Annex on impact assessment for quarries
- Resettlement Action Plan
- Physical Cultural Resources Plan
- Dam Safety Plans, including Emergency Preparedness Plan



# Implementation of Safeguard Policies (Actual)

## **Key features of assessment and implementation- environmental**

- ✓ Public consultation
- ✓ Ministry of Environment review
- ✓ Associated infrastructure
- ✓ Independent Panel on Dam Safety
- ✓ Independent Environmental, Social and Cultural Heritage Panel
- ✓ Wastewater impacts
- ✓ Quarries
- ✓ Communication Strategy
- ✓ Biodiversity Management Plan

## **Key features of assessment and implementation- social**

- ✓ Independent review of Syrian refugees in project area
- ✓ Benefit sharing program
- ✓ Citizen engagement
- ✓ Grievance redress mechanism
- ✓ Communication
- ✓ Gender

# **PRACTICAL IMPLICATIONS OF APPLYING ENVIRONMENTAL AND SOCIAL SUSTAINABILITY FRAMEWORK**



# From Safeguards to E&S Standards



**CATEGORY A**



**HIGH  
RISK**

SAFEGUARDS POLICY	BISRI
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	

ESS STANDARD	BISRI
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	✓

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

New Requirements/Approaches under ESF	Scope/Change		Incremental Effort/Expertise?	Value
	Actual (Under OPs)	Under ESF		
<b>Use of Borrower's E &amp; S System to the extent possible</b>	Borrower's system for regulation of commercial quarries (project to source materials only from licensed quarries)	Additional possible application of Borrower's Framework to be assessed (EIA, waste management, etc.)	WB assessment of Borrower's framework: <ul style="list-style-type: none"> <li>can it deliver outputs consistent with the ESS?</li> <li>capacity building investments needed?</li> </ul>	Minimize incremental requirements, recognize and strengthen country systems
<b>Integrated E &amp; S Assessment</b>	Social assessment as part of RAP (including special focus on Syrian refugees)	Integrated environmental and social assessment	More comprehensive Social Assessment, e.g. greater attention to impacts not associated with land acquisition	Greater attention to range of potential social impacts and mitigation
<b>E &amp; S Commitment Plan</b>	<p>ESMP, Biodiversity Management Plan, Physical Cultural Resources Plan, Dam Safety/Emergency Plans.</p> <p>Interim Project review every 3 years</p> <p>ESMP includes capacity building measures for CDR, BMLWE, MoEW.</p>	<p>Time-bound action plan with clear responsibilities and resources; including both E &amp; S; emphasis on monitoring/adaptive management and on capacity building</p> <p>More explicit, action plan for capacity building – time bound, linked with project activities</p>	Limited additional, as ESMP includes monitoring, capacity building, etc.	<p>Consolidated, time-bound, transparent plan for meeting E&amp;S requirements throughout project;</p> <p>Explicit provisions for adaptive management</p>
<b>Project Monitoring &amp; Reporting</b>	ESMP includes monitoring and evaluation program	More explicit requirements, throughout life of project, include public reporting	Some incremental effort by PIU for monitoring and reporting	Ongoing assessment of status of E&S risks throughout project



## ESS2: Labor & Working Conditions

New Requirements/Approaches under ESF	Scope/Change		Incremental Effort/Expertise?	Value
	Under OPs	Under ESF		
<b>Working Conditions &amp; Management of Worker Relationships</b>	Contractor required to prepare/implement OHS plan	<ul style="list-style-type: none"> <li>Applies to people engaged in work on project activities, including contracted workers and subcontracted workers;</li> <li>Beyond OHS to multiple aspects of employer/worker relationship</li> </ul>	Assess applicable national laws/regulations; provisions in ESCP for any gap filling (implementation and monitoring)	Improved working conditions, worker empowerment
<b>Protecting the Work Force</b>	No explicit requirement	Non-discrimination, child/forced labor, etc. Applies to all project workers (direct hire, contracted and subcontracted)	Effort level depends on gaps between ESS2 and national requirements	Social protection
<b>Grievance Redress Mechanism</b>	N/A	Separate GRM for workers	May be added to ESMP or SEP; minor incremental effort	Transparency, responsiveness
<b>Occupational Health &amp; Safety (OHS)</b>	Contractor to prepare OHS plan	Explicit reference to WBG EHS Guidelines/international good practice	Assessment of applicable national laws; identify gap-filling measures	Improved worker protection
<b>Contracted Workers</b>	ESIA outlines contractors' responsibilities	Applies to workers engaged by contractors doing civil works	PIU to ensure relevant protections in contracts, monitor compliance	Improved worker protection
<b>Workers in Community Labor</b>	No explicit requirement	Community Labor provisions in ESS2	N/A : No community labor on project activities	
<b>Primary Supply Workers</b>	No requirement	Applies to workers of ongoing primary suppliers of construction materials (e.g. quarries)	Ensure project-level due diligence if not in national laws/regulations	Protection of indirect workers

# ESS3: Resource Efficiency & Pollution Prevention & Management

New Requirements/Approaches under ESF	Scope/Change		Incremental Effort/Expertise?	Value
	Under OPs	Under ESF		
<b>Resource Efficiency</b>	No explicit requirements, but considered under ESIA (Analysis of Alternatives). (Context: national Sector strategy for water conservation including demand management)	Specific requirements to enhance efficiency (significant user of energy, water and raw materials).	More explicit targets for/ monitoring of water use efficiency, water conservation, fuel efficiency particularly in design and operational phases	Economic savings, reduced water demand
<b>Pollution Prevention &amp; Management</b>	Project includes water quality investments; ESMP addresses construction and operational stage pollution impacts	Clearer requirement to apply Borrower standards and/or EHSGs (whichever is more stringent)	No change unless EHSGs standards are higher than national regulations	Promotion of good international practice standards

## ESS4: Community Health & Safety

New Requirements/Approaches under ESF	Scope/Change		Incremental Effort/Expertise?	Value
	Under OPs	Under ESF		
<b>Community Health &amp; Safety</b>	ESIA addresses water-related diseases, accident prevention, noise, dust, etc. addressed through OP 4.01 e.g. through contractor requirements and information campaigns	Somewhat broader range of CH&S issues to be addressed (e.g. non-communicable diseases, worker/community relations, etc.)	Minor incremental effort as ESIA/ESMP already addresses many aspects	Greater protection for communities in project area
<b>Ecosystem Services</b>	No requirement	Consider potential impact of loss of provisioning and regulatory ecosystem services on community (e.g through deforestation, downstream hydrological impacts)	Additional analysis and mitigation measures in ESIA	Greater protection for local community livelihoods and welfare
<b>Security Personnel</b>	No requirement	Not applicable (?)	None if no security personnel involved	

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

New Requirements/Approaches under ESF	Scope/Change		Incremental Effort/Expertise?	Value
	Under OPs	Under ESF		
<b>General</b>	<p>Development Partners (GoL, Islamic Dev. Bank) agreed to apply OP 4.12</p> <p>Vulnerable PAPs (including refugees) identified/addressed in RAP</p>	<p>WB can agree with Development Partners on a “common approach” (must be materially consistent with OP 4.12)</p> <p>Special attention to gender issues.</p> <p>Resettlement as development now an objective of ESS5</p>	Minor additional analysis, more explicit plans and indicators for livelihood restoration	
<b>Displacement</b>	<p>Physical and economic displacement covered; land owners and occupants</p> <p>RAP sets out entitlements for all types of PAPs</p>	<p>No change, but greater clarity</p> <p>No changes</p>	Little or none	
<b>Collaboration with Other Responsible Agencies or Subnational Jurisdictions</b>	Collaboration with UNHCR to address needs of refugees	no change	none	
<b>Technical &amp; Financial Assistance</b>	Independent monitor for RAP implementation; Social expert on independent Panel of Experts	Encourage Borrower to use TA to build capacity beyond project level	Detailed, time bound capacity building plan	



## ESS6: Biodiversity Conservation & Sustainable Management of Living Natural Resources

New Requirements/Approaches under ESF	Scope/Change		Incremental Effort/Expertise?	Value
	Under OPs	Under ESF		
<b>General</b>	Biodiversity Management Plan to mitigate impacts on Natural Habitats and species	<p>Consider biodiversity in modified as well as natural habitats;</p> <p>Explicit application of Mitigation Hierarchy and “no net loss” for natural habitats</p> <p>Address potential impacts on ecosystem services</p>	<p>ESIA survey include modified areas for potential biodiversity value;</p> <p>Explicit target of “no net loss” in BMP</p> <p>Possible interventions to enhance biodiversity value of reservoir</p> <p>ESIA consider potential loss of ecosystem services</p>	More complete protection of biodiversity and ecosystems
<b>Natural resource management</b>	Recovery of timber from inundation area	No change	No change (project does not extract renewable natural resources)	
<b>Primary suppliers</b>	no requirement	No expected sourcing of living natural resources	No change	

## ESS8: Cultural Heritage

New Requirements/Approaches under ESF	Scope/Change		Incremental Effort/Expertise?	Value
	Under OPs	Under ESF		
<b>General</b>	ESIA identified large number of sites;  Cultural Heritage Plan prepared with time frame (includes rescue archaeology);	Consider impacts on non-tangible cultural heritage, in relation to physical project investments	Minor or none	
<b>Stakeholder Consultation &amp; Identification of Cultural Heritage</b>	In context of consultation on ESIA	More explicit requirements for stakeholder involvement (beyond responsible authorities)	Minor (incorporate into ESIA consultation process)	
<b>Legally Protected Cultural Heritage Areas</b>	Included in ESIA analysis	No change	None	
<b>Provisions for Specific Types of Cultural Heritage</b>	No requirement	Covered in ESIA	None	
<b>Commercialization of Cultural Heritage</b>	No requirement	Not applicable	None	

# ESS10: Stakeholder Engagement & Information Disclosure

New Requirements/Approaches under ESF	Scope/Change		Incremental Effort/Expertise?	Value
	Under OPs	Under ESF		
<b>Engagement during Project Preparation</b>	Consultation and Communication Program (per CDR policy): extensive public and focused on ESIA, and RAP including scoping and analysis of alternatives for water supply/management; changes in dam design during preparation	Stakeholder identification; Preparation and implementation of Stakeholder Engagement Plan	Possibly engage independent party for stakeholder identification Preparation, disclosure of SEP	Greater transparency/ community involvement; better social impact assessment
<b>Engagement during Project Implementation &amp; External Reporting</b>	CCP through implementation of RAP M&E program includes monitoring of ESMP indicators; monitoring reports available to public at CDR local office.	Active engagement throughout project, per SEP; including public progress reports	Public disclosure of monitoring reports and reporting on stakeholder engagement throughout project implementation	Greater transparency/ more effective community involvement; better adaptive management
<b>Grievance Mechanism</b>	In RAP only	GRM covering all aspects of project; Separate GRM for workers (see ESS2)	Minor: project-wide GRM can combine with RAP GRM. (Worker GRM covered under ESS2)	Explicit, publicized GRM for all stakeholders not just for resettlement
<b>Organizational Capacity &amp; Commitment</b>	ESMP include training & TA to strengthen all implementing agencies on handling E&S at international standards	ESCP articulates specific, time-bound actions to achieve required capacity levels	Minor: substantial capacity building already included, but more attention to monitoring progress	Ensures capacity building needs and measures are fully clear, implemented, monitored

# Operational Implications of Proposed Framework: BISRI

**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	Low
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 to Moderate
ESS 7: Indigenous Peoples	N/A
ESS 8: Cultural Heritage	None
ESS 9: Financial Intermediaries	N/A
ESS 10: Stakeholder Engagement and Information Disclosure	Moderate



# Bangladesh Investment Promotion and Financing Facility Project



**Approved 2006 (\$50 million)**  
**Additional Financing 2010 (\$275 million)**



## Applying current Safeguard Policies vs. the proposed new Environmental and Social Sustainability Framework:

### Estimating incremental changes to scope of work for Bank and Borrowers

Incremental Level of Effort	Incremental Staff Time	Scope of Work	Staff Requirement
<b>NO CHANGE/COST SAVINGS</b>	--	--	--
<b>LOW</b>	Hours	Limited work, building on existing analysis already done for the project with fine tuning	Environmental and social qualified staff
<b>MODERATE</b>	Days	Minor additional works, also based on existing analysis already done for the project.	Environmental and social qualified staff supplemented by credible external staff
<b>HIGH</b>	Weeks to months	New analytical work, not considered before, based on collecting secondary data and synthesizing existing information or generating new and specific knowledge	External subject matter expert on specific issues

# Objectives

- **Supplement Bangladesh local finance institutions' capacity to finance infrastructure and other investments;**
- **Promote the role of private sector entrepreneurs in development of capital projects, especially infrastructure**

# Components

**1) Credit:** partial debt financing through private sector financial intermediaries for government-sponsored projects to be developed by the private sector – particularly infrastructure but also other eligible private sector investments (power generation/transmission/distribution/bridges, ports, container terminals, airports, highways, water supply, water treatment plants, waste disposal, industrial estates, social infrastructure, IT...)

**2) Technical Assistance:**

- assist Bangladesh Bank to implement the project;
- help GoB develop framework for Public-Private Partnerships in infrastructure;
- foster policy/regulatory/institutional reforms;
- build capacity to manage PPP processes;
- implement Private Sector Infrastructure Guidelines

**EA Category:** FI (with Category A and B sub-projects)

**Safeguard Policies Triggered:**

Original Credit: OP 4.01 (Environmental Assessment)

Additional Financing: OP 4.01, OP 4.10 (Indigenous Peoples); OP 4.11 (Physical Cultural Resources) OP 4.12 (Involuntary Resettlement)

**Safeguards Instruments:**

**Environmental and Social Management Framework (ESMF) including Social Management Framework and Indigenous Peoples Development Plan**



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

## Incremental efforts/costs:

- Assessment of Borrower (FI and national ) framework – joint WB and Borrower effort, final assessment is responsibility of WB
- Greater focus on social impacts in ESMF:, including specific reference to vulnerable groups
- Preparation of ESCP – time-bound plan with clear responsibilities/commitments (mainly consolidating Safeguard instruments that were prepared for the project under OP's)

## Potential savings/efficiencies:

- Relying on Borrower Framework for moderate/low risk projects (except those with specific risks per ESS9)
  - “Common Approach” in case of joint financing with other multilateral/bilateral financiers
  - Option to rely on E&S and institutional requirements of other multilateral/bilateral agencies that have already provided financing to the same FI
  - Flexible time frame for building capacity and systems
- As long as these are materially consistent with E&S Standards
- As long as these are in place prior to implementation of activities with potential negative impacts

**Expected incremental level of effort = Moderate**

## ESS2: Labor and Working Conditions

### **Incremental efforts/costs:**

- New standard: applies to all FI's and to Sub-borrowers
- OP 4.01 addresses only Operational Health and Safety (in ESMP/contracts). ESS2 has requirements on conditions of employment, non-discrimination/equal opportunity, recognition of workers right to organize, prohibition of child and forced labor, Grievance Redress Mechanism
- FI's to provide information to WB and assist WB due diligence process
- Applies, in varying degrees, to direct workers, contracted workers (for work related to core project functions), workers of primary suppliers (ongoing suppliers of materials essential for core functions of the project)

**Potential savings/efficiencies:** Use of Borrower Systems: for countries where labor laws and practices already meet ESS2 requirements

**Expected incremental level of effort: Low to High depending on existing Borrower/national framework**

## ESS3: Resource Efficiency and Pollution Prevention and Management

### Incremental efforts/costs:

- **Pollution prevention/management requirements**: apply to subprojects presenting significant risks or impacts on the environment
  - (likely little/no change compared with existing ESMF)
- Requirement to explicitly identify and apply **resource efficiency measures** for subprojects which are significant users of energy, water or raw materials -- likely to include many subprojects under this project
  - (no explicit requirement under OP 4.01, but good practice ESIA usually includes some effort particularly for energy and water efficiency)
- Annual estimation of **GHG emissions** for subprojects likely to produce significant GHG emissions (threshold still under discussion); Assessment of potential impacts of Climate Change on subprojects
  - (some assessment of GHG emissions and CC impacts is already standard good practice for ESIA where relevant)

### Potential savings/efficiencies:

- Use of existing models and national processes for GHG emissions estimation
- Greater attention to resource efficiencies can reduce operating costs

**Expected incremental level of effort: Moderate to high, depending on the subproject and content of existing EIAs and on extent of GHG assessment requirements**

## ESS4: Community Health and Safety

### Incremental efforts/costs:

- Applies only if subproject presents significant risks/impacts on community health and safety
- Requirements likely to be new (compared to existing good practice ESIA/ESMP)
  - Requirement to use **external expertise if subproject is in high risk location and failure could present safety risk** (extension of Dam Safety Policy to other infrastructure)
  - Requirement to **identify risks and potential impacts on priority ecosystem services**, in particular those that may be exacerbated by Climate Change
  - Requirements for assessment of communities' exposure to **water-borne, water-based, communicable/non-communicable disease** that could **result from project activities or associated with influx/presence of project labor**
    - ❖ (note: social risks/impacts associated with project labor to be addressed through Social Impact Assessment under ESS1)
  - (Usually) minor additional work at design/construction stages to meet safety requirements in accordance with EHS Guidelines and GIIP, taking into account **Climate Change considerations**, risks to public, **application of universal access** to design of new public buildings

**Potential savings/efficiency:** reduced chance of delays, unexpected costs due to community-related issues

**Expected incremental level of effort: Minor to moderate**

## ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

### **Incremental efforts/costs:**

- Requirements largely unchanged from current OP 4.12
- Consultations would require more specific effort to ensure involvement of vulnerable groups; more attention to gender-related issues

### **Potential savings/efficiencies:**

- Greater clarity on several aspects (scope of the policy; requirements in case of voluntary land donation; land already purchased by Government; slum landlords; prohibition on forced evictions; etc.),
- Increased emphasis on Borrower capacity building

Resulting in decreased need for costly and time-consuming Audits and retroactive measures to bring already completed land acquisition up to standards required by WB

**Expected incremental effort is Low**

## ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

### Incremental effort/costs:

- Requirement to assess/mitigate impacts on biodiversity in modified habitats (not only natural habitats)
- Need to consider impacts on priority ecosystem services as identified by communities/stakeholders
- More specific requirements regarding use of biodiversity offsets as mitigation for habitat destruction
  - Must demonstrate it is last resort for unavoidable/unmitigatable residual impacts
  - No Net Loss of biodiversity value for natural habitats; Net Gain for critical natural habitats (recognizing offset option is excluded for some natural habitats of such high value that “Net Gain” would not be possible)
- Need to consider sustainability of use, and any other impacts on, any living natural resources particularly in relation to affected communities
  - extension of existing Forests policy to other living natural resources).
  - includes commercial scale agriculture – livestock, crops)
- Requirements extended to assessing sustainability of primary suppliers of living natural resources in certain (high risk) circumstances

**Potential savings/efficiency:** greater clarity on requirements should decrease uncertainty/time for subproject approval

**Expected incremental level of effort is Moderate to High (particularly for greenfield infrastructure investments)**



## ESS7: Indigenous Peoples

### Incremental efforts/costs:

- Little change from current IP Policy (proposed “alternative mechanism” in 2<sup>nd</sup> draft of ESF has been removed from 3<sup>rd</sup> draft)
  - More precise requirements regarding ensuring meaningful consultation with IPs
  - Project’s Grievance Redress Mechanism must be culturally appropriate and accessible to IP
  - Main change = **application of Free Prior and Informed Consent** if subproject:
    - (i) has impact on land or natural resources subject to traditional ownership or under customary use or occupation,
    - (ii) could cause relocation of IP from natural resources subject to traditional ownership or under customary occupation or use; or
    - (iii) has significant impacts on IP’s Cultural Heritage
- Requirement for FPIC does not constitute “veto power” for individuals or subgroups

**Expected additional level of effort is Low to Moderate (depending on whether FPIC applies to any subprojects)**

## ESS8: Cultural Heritage

### **Incremental efforts/costs:**

- Need to ascertain whether “intangible cultural heritage” could be impacted by the project investments

**Expected incremental effort is Low**

# ESS9: Financial Intermediaries

## Incremental efforts/costs:

FI must comply with, and ensure and monitor Sub-borrowers' compliance with, relevant standards

- **Application of relevant requirements of ESSs to any subprojects that involve:**
  - resettlement (unless the risk of resettlement is minor);
  - adverse risks or impacts on IP; or
  - significant risks or impacts on the environment, community health, biodiversity or Cultural Heritage
- FI ensure **Stakeholder engagement throughout life of the (sub)project** in a manner proportionate to project risks/impacts and respond to public enquiries/provide link to E&S assessments on its website, for any high risk subprojects
- Sub-borrowers put in place procedures **for external communications on E&S aspects** proportionate to risk/impacts of subprojects
- **More explicit requirements for ensuring FI capacity:** designation of representative of FI's senior management; appointment of staff responsible for day-to-day operations; availability of resources and expertise; staffing and training

## Potential savings/efficiencies:

National framework, not ESF, applies to sub-projects which do not involve aspects specified above

Reduced likelihood of multiple requirements for different multi/bilateral financial agencies ("Common Approach" and acceptance of existing financial agencies' requirements if this will achieve results consistent with ESF)

**Expected incremental effort: Low to High, depending on the nature of subprojects under the FI loan and extent of FI's existing capacity and experience**

## ESS10: Stakeholder Engagement and Information Disclosure

### **Incremental effort/costs:**

- Change in approach from public consultation on Safeguards instruments during preparation, to active engagement with stakeholders over life of project (specific consultations on Safeguards instruments still required, per ESS 1-9)
- Borrower to prepare a Stakeholder Engagement Plan, and document/report regularly to WB and public on implementation of the SEP
- Stakeholder identification as first step of preparation of SEP – by independent experts if deemed necessary by WB

### **Potential savings/efficiencies:**

More comprehensive and systematic stakeholder engagement throughout life of projects is expected to facilitate adaptive management of project implementation and reduce delays, costs and unacceptable outcomes associated with misinformation or inadequate information, unrecognized or unresolved stakeholder concerns, shortcomings in implementation of E&S risk and impact management

#### **Expected incremental effort is Low to High, depending on:**

- Nature of project and local context (stakeholder identification and communication easy or difficult)
- How much is already being done (many projects already go significantly beyond the public consultation requirements set out in existing Safeguard policies with respect to stakeholder outreach and communication)

# 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?

# THANK YOU

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