



SAFEGUARDS REVIEW AND UPDATE



Setting Standards for Sustainable Development

April 12, 2014

Public Meeting, Washington, DC

WORK IN PROGRESS AND DELIBERATIVE

All slides in this presentation require verbal explanation and context. Solutions, ideas are work in progress.



note

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A video recording of the public meeting will be posted on the safeguard review [website](#) along with a transcript of the meeting. The transcript will be made available in Arabic, Chinese, French, Portuguese, Russian, and Spanish.



outline

- Update on Review
- Overview of Proposed New Policy Framework
- Next Steps

approach to review

- Inclusive process of stakeholder engagement has informed the Bank's thinking. Global consultations, dialogue with Project Affected Communities and Indigenous Peoples.
- Benefitted from the lessons learned from other International Financial Institutions in their recent policy revisions (ie. AfDB, ADB, EBRD, IFC, EIB).
- Internally: looking at staff capacity, roles and functions.

desk review: key findings

Recent revisions by ADB, AfDB, EIB, IFC, and EBRD have made considerable advances in scope of environmental and social issues covered

- Procedural approaches are better for decision making and implementation purposes
- Clarity and accountability between Bank and Borrower

issues with current policies

- *Ad-hoc* – policies have been developed in an ad hoc manner in response to issues and challenges. There is a forestry safeguard, but not one on biodiversity. There is one for Indigenous Peoples but not for other minority and vulnerable groups. There is one for dam safety but not road safety. Forests and natural habitats are in separate policies but are intertwined.
- *Hard and unclear* to implement.
- *Outdated* – they do not address comprehensively the full range of environmental and social issues that the financial and development sectors are expected to address today
- *Unclear responsibilities between Bank and Borrower* – causing implementation and accountability issues and delay in projects. Deficiencies and inconsistencies occur especially post Board approval.
- *Front-loaded* on preparation



Bank is behind the times

the solution

A strengthened policy framework for the people and the environment, more efficient and undiluted.

Better alignment with other MFIs and within the WBG

A new policy framework = **policy + enhancing internal roles and functions + change in approach**

Clear to understand, clear to implement and clear to hold us accountable for.

proposed E+S framework

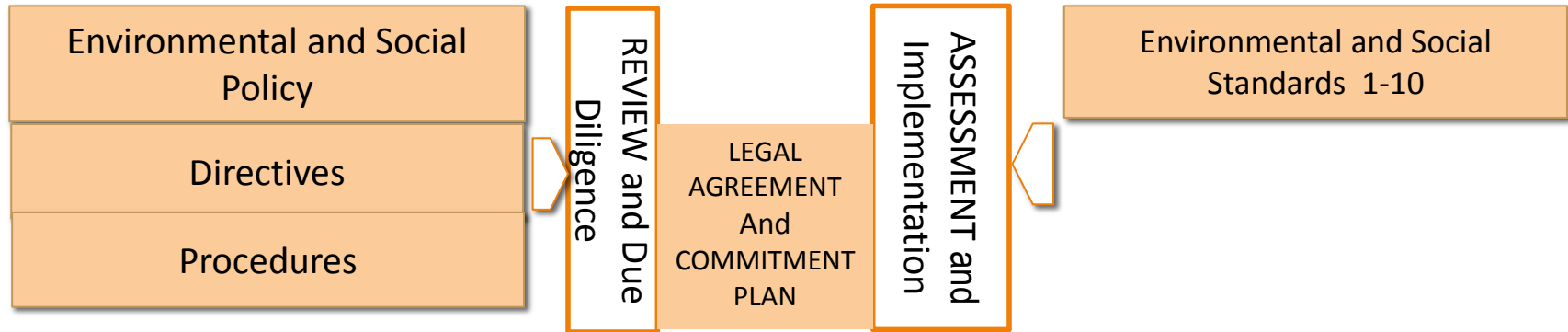
- A statement setting out sustainability aspirations
- An Environmental and Social Policy (ESP) which outlines the Bank's strategic policy objectives and its commitments. (mandatory)
- *Ten Environmental & Social Standards* (ESSs) which outline the requirements Borrowers/projects are expected to meet. (mandatory)
- Supporting Annexes (mandatory)
- Guidelines/Best Practice Notes (non-mandatory)

proposed policy framework

World Bank Vision Statement on Sustainability

World Bank Responsibilities

Borrower Responsibilities



Implementation Guidance
Information Management
Systems

Guidance Notes, Case
Studies and Tools

PROJECTS

■ Mandatory elements of the Integrated Framework

■ Non-mandatory elements of the Integrated Framework

borrower requirements: standards

REQUIREMENTS	INTEGRATED With
ESS1: Assessment and Management of Environmental and Social Risks and Impacts	Piloting the use of borrowers systems and Environmental Assessment OPs 4.00 , 4.01, and 4.03
ESS2: Labor and Working Conditions	No existing OP
ESS3: Resource Efficiency and Pollution Management (include Approach to Climate Change)	Environmental Assessment and Pest Mgt OPs 4.01 and 4.09
ESS4: Community Health and Safety	Pest Mgt and Safety of Dams OPs 4.09 and 4.37
ESS5: Economic or Physical Displacement Caused by Land Use Change	Involuntary Resettlement OP 4.12
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Natural Habitats and Forests and parts of Pest Mgt OPs 4.04, 4.36 and 4.09
ESS7: Indigenous Peoples	Indigenous Peoples OP4.10
ESS8: Cultural Heritage	Physical and Cultural Resources OP4.11
ESS9: Financial Intermediaries and Sub-projects	Environmental Assessment Ops 4.01 and 4.03
ESS10: Stakeholder Engagement	Environmental Assessment OP4.01

- More emphasis on monitoring/supervising actual impacts on people and the environment
- Less emphasis on front-loading
- Focus at the project level – helping avoid delays caused by broad interpretation of policy application
- Impact driven outcomes based approach
- Prioritizes and highlights E+S issues according to potential impacts
- More harmonization with other MFIs and within the World Bank group, allowing for a more efficient/effective co-financing.
- Tailoring to project and sector context and needs
- Relying upon applicable and acceptable national legal framework, including international legal obligations
- More adaptive and responsive approach allows compliance over reasonable time frame reflecting Borrower financial and technological constraints
- Deploys staff and resources when and where required ensuring proper attention to implementation and supervision

➔ **Clear** to understand, **clear** to implement and **clear** to hold us accountable for

borrower requirements

ESS1 – Assessment and Management of Environmental and Social Risks and Impacts

- provides wider and clearer social coverage, more clarity on key environmental and social requirements, including for a range of vulnerable groups;
- provides requirement to **identify and address discrimination** and adverse impacts on vulnerable groups: **definitions** of ‘non-discrimination’, vulnerable/disadvantaged groups specifically **refer to LBGT, religious, racial or other minorities, gender, elderly, children, disabled and infirm.**
- provides the basis for robust environmental and social assessment, mitigation and monitoring
- builds upon national institutions and legal frameworks

ESS2 – Labor and Working Conditions

- addresses areas of social and economic risk, and ensures that working conditions are based on principles such as of non-discrimination and no child labor;
- relies and builds upon national requirements as appropriate.

borrower requirements

ESS3 – Resource Efficiency & Pollution Mgt

- provides the framework for considering resource efficiency and pollution control
- includes the consideration of climate change and adaptation and green house gas emissions management.

ESS4 – Community Health and Safety

- includes standards to protect the people surrounding the project, in terms of their health, safety and security;
- retains coverage of dam safety, adds coverage on areas such as traffic and road safety, fire and life safety, emergency preparedness and response, and security personnel.

borrower requirements

ESS5 – Involuntary Resettlement

- addresses voluntary resettlement and issues related to implementation;
- provides clarity on application of policy, flexibility for resettlement planning instruments, comprehensive treatment of land and more explicit coverage for displacement.

ESS6 – Biodiversity Conservation and Sustainable Mgt of Living Natural Resources

- broader approach encompassing forests, habitats, sustainable management of living natural resources;
- reflects the mitigation hierarchy
- provides greater clarity on what the borrower is expected to do in production of living activities (such as food safety, responsible harvesting, international standards).

borrower requirements

ESS7 – Indigenous Peoples

- retains a stand alone IP policy; recognizes the need to reflect regional distinctions.
- provides for free, prior and informed consent of Indigenous Peoples.
- provides clarity on pastoralism, voluntary isolation and forced eviction.

ESS8 – Cultural Heritage

- provides greater clarity on requirements and process aspects.

borrower requirements

ESS9 – Financial Intermediaries and Sub-projects

- addresses financial intermediaries' obligations with respect to sub-project appraisal, applicable standards, and reporting.
- strengthens ability to manage the risks potentially posed in this type of operations, through an enhanced and clearer due diligence and supervision.

ESS10 – Stakeholder Engagement

- provides greater focus and attention on stakeholder engagement, disclosure of information, transparency, participation, meaningful consultation and grievance.

framework roll out



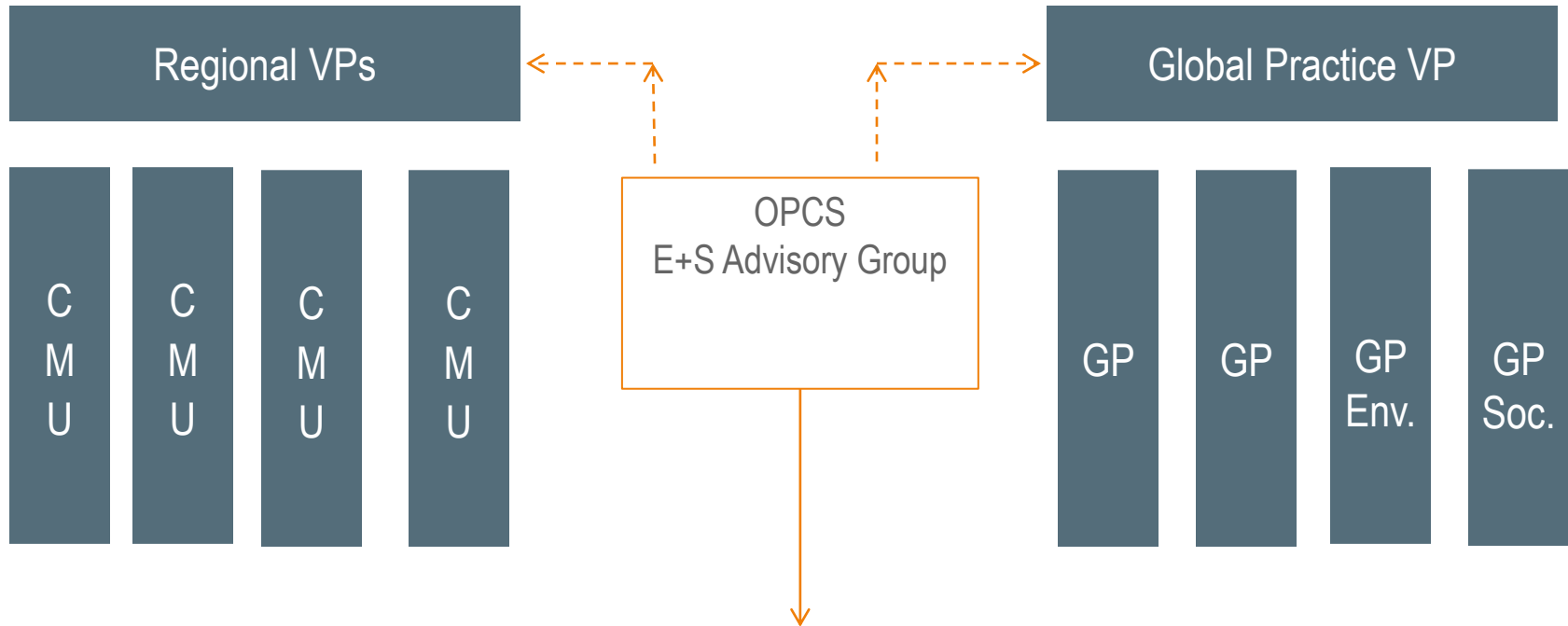
enhancing internal roles and functions

- Strengthening business model on environmental and social risk management.

Placing more emphasis upon:

- Enhancing oversight/guidance to improve environmental and social outcomes on projects, addressing risks and focusing on implementation.
- Clarifying staff responsibilities and accountability
- Enhancing project monitoring, supervision and reporting
- Enhancing risk-based business model
- Strengthening staff training and accreditation

E+S advisory group



Proposed changes for the safeguard advisors:

Full integration of policy and risk management

Function. Oversight of high risk/high profile operations; Accreditation functions; Professional development and internal training; Operational support to high risk operations; Portfolio monitoring and quality assurance; Team mentoring coaching

summary

Today and Future

Current Safeguards

- Uneven social coverage
- Emphasis on process
- More open to interpretation
- Not aligned with MFIs
- Limited room for tailoring to country and sector context
- Unclear Bank/Borrower responsibilities
- Disproportionately focused on preparation of projects

Proposed E + S Framework

- + Strengthened Coverage
- + Risk/impact driven application
- + Emphasis on outcomes
- + More clarity
- + Partnership with borrower institutions
- + Clear Bank/Borrower responsibilities
- + More effective implementation, monitoring, supervision - by Bank/Borrower
- + Aligned with MFIs

timeline

Jan-May 2014

- Drafting proposal
- Internal Soundings

late June 2014

- Present the first draft of the proposed Updated Policy Framework to CODE for review and endorsement.
- The draft will include:
 - annex summarizing views received during consultations
 - consultation and communication plan



- Subject to Board endorsement, second round of global external consultations in 2014
- Internal Consultations

consultation timeline and method

July-Aug 2014

- Pre-consultations: open period of questions and answers
- Framework and policies shared publicly
- Presentation

Sept-Nov 2014

- Comment period.
- Online and targeted meetings

If you have suggestions, send them to: safeguardconsult@worldbank.org



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