

**Review and Update of the World Bank’s Environmental and Social Safeguard Policies**

**Phase** 3

**Feedback Summary**

**Date: November 23, 2015**

**Location: Riyadh, KSA**

**Audience: Government official and Ministries representatives**

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| **ESF** | **Issue** | **Items** | **Feedback** |
| Vision | Human Rights | 1. Approach to human rights in the ESF | The Government officials reiterated that it is important to respect the country context and national sovereignty with regard to the human rights approach. |
| ESP/  ESS1 | Non-discrimination and vulnerable groups | 1. 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) 2. 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 | The Saudi Government has no problem with the principle of nondiscrimination and much is enshrined in Saudi laws and practice but the approach to the LGBTI issue is against the Saudi profound religious and cultural values. According to the Saudi officials, people find it offensive and this would never be tolerated in KSA. |
| Use of Borrower’s Environmental and Social Framework | 1. 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) 2. 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 3. Role of Borrower frameworks in high and substantial risk projects | The Government officials welcomed the use of Borrower Frameworks and believed that it should be encouraged and supported by the Bank. |
| Co-financing/ common approach | 1. 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 | 1. Approach to monitoring E&S compliance and changes to the project during implementation |  |
| Risk classification | 1. Approach to determining and reviewing the risk level of a project |  |
| ESS1 | Assessment and management of environmental and social risks and impacts | 1. Assessment and nature of cumulative and indirect impacts to be taken into account 2. Treatment of cumulative and indirect impacts when identified in the assessment of the project 3. Establishing project boundaries and the applicability of the ESSs to Associated Facilities, contractors, primary suppliers, FI subprojects and directly funded sub-projects 4. Circumstances under which the Bank will determine whether the Borrower will be required to retain independent third party specialists |  |
| Environmental and Social Commitment Plan (ESCP) | 1. Legal standing of the ESCP and implications of changes to the ESCP as part of the legal agreement |  |
| ESS2 | Labor and working conditions | 1. Definition and necessity of and requirements for managing labor employed by certain third parties (brokers, agents and intermediaries) 2. Application and implementation impacts of certain labor requirements to contractors, community and voluntary labor and primary suppliers 3. Constraints in making grievance mechanisms available to all project workers 4. Referencing national law in the objective of supporting freedom of association and collective bargaining 5. Operationalization of an alternative mechanism relating to freedom of association and collective bargaining where national law does not recognize such rights 6. Issues in operationalizing the Occupational Health and Safety (OHS) provisions/standards | The Government officials requested further clarifications on the definition of third parties. There should be mutual agreement on their use by Bank and country. Saudi Arabia has a large number of contract workers and labor laws, but it is the contractor that needs to respect these with regard to its workers.  There are limitations to the extent that the Government can check everything contractors do. There is a confidential hot line that workers can contact if they have problems at work in KSA.  The Saudi officials stated that the country has a similar Grievance redress mechanism that the workers use to raise their concerns. |
| ESS3 | Climate change and GHG emissions | 1. The relation between provisions on climate change in the ESF and broader climate change commitments, specifically UNFCCC 2. 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 3. Implications required for the Borrower of estimating and reducing GHG emissions for Bank projects, in line with the proposed standard | Saudi Government officials expressed support for the principles of the ESF and noted the recognition in the ESF that technically and financially it may not be appropriate to require GHG estimations in all projects and countries.  Even under the CDM in KSA, the difficulties and cost of establishing a baseline for GHGs was noted. The Bank was urged to practical and understanding of Borrower constraints.  Also, they noted international obligations under the UNCCC need to be take into consideration. Reliance on consultants to undertake GHG estimations can be costly. |
| ESS5 | Land acquisition and involuntary resettlement | 1. Treatment and rights of informal occupants and approach to forced evictions in situations unrelated to land acquisitions 2. Interpretation of the concept of resettlement as a “development opportunity” in different project circumstances | Saudi Arabia can recognize the challenges that Borrowers face in this regard and especially the landless and illegal occupiers. The need to have an early assessment of the issues and a cutoff date was highlighted. Use of eminent domain should be undertaken when appropriate to prevent projects from being delayed. |
| ESS6 | Biodiversity | 1. Operationalization of the provisions on primary suppliers and ecosystem services, especially in situation with low capacity 2. Role of national law with regard to protecting and conserving natural and critical habitats 3. Criteria for biodiversity offsets, including consideration of project benefits 4. Definition and application of net gains for biodiversity |  |
| ESS7 | Indigenous Peoples | 1. Implementation of the Indigenous Peoples standard in complex political and cultural contexts 2. Implementation of ESS7 in countries where the constitution does not acknowledge Indigenous Peoples or only recognizes certain groups as indigenous 3. Possible approaches to reflect alternative terminologies used in different countries to describe Indigenous Peoples 4. 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 5. Criteria for establishing and implementation of Free, Prior and Informed Consent (FPIC) 6. Comparison of proposed FPIC with existing requirements on consultation 7. Application of FPIC to impacts on Indigenous Peoples’ cultural heritage | There was a note on the need to consider carefully impacts on tribal peoples. The officials expressed understanding and support for the concerns of many African countries that the use of the term "indigenous" causes problems. |
| ESS8 | Cultural Heritage | 1. Treatment of intangible cultural heritage 2. Application of intangible cultural heritage when the project intends to commercialize such heritage 3. Application of cultural heritage requirements when cultural heritage has not been legally protected or previously identified or disturbed |  |
| ESS9 | Financial Intermediaries | 1. Application of standard to FI subprojects and resource implications depending on risk 2. Harmonization of approach with IFC and Equator Banks |  |
| ESS10 | Stakeholder engagement | 1. Definition and identification of project stakeholders and nature of engagement 2. Role of borrowing countries or implementing agencies in identifying project stakeholders |  |
| General | EHSG and GIIP | 1. Application of the Environmental, Health and Safety Guidelines (EHSGs) and Good International Industry Practice (GIIP), especially when different to national law or where the Borrower has technical or financial constraints and/or in view of project specific circumstances |  |
| Feasibility and resources for implementation | 1. 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 management approach 2. Mitigation of additional burden and cost and options for improving implementation efficiency while maintaining effectiveness |  |
| Client capacity building and implementation support | 1. Funding for client capacity building 2. Approaches and areas of focus 3. Approach to implementing the ESF in situations with capacity constraints, e.g., FCS, small states and emergency situations | The Government officials indicated that there will be a need to help countries adapt to the ESF and build their capacity and thus support use of Borrower frameworks which is better for countries as they have more ownership of E and S issues on their projects. |
| Disclosure | 1. Timing of the preparation and disclosure of specific environmental and social impact assessment documents (related to ESS1 and ESS10) |  |
| Implementation of the ESF | 1. Bank internal capacity building, resourcing, and behavioral change in order to successfully implement the ESF 2. Ways of reaching mutual understanding between Borrower and Bank on issues of difficult interpretation |  |
| Other issues | | | There was a question about the changeover from OPs to ESSs and whether existing projects would have to change to meet the new standards. |