



The World Bank/IMF Annual Meetings

Civil Society Policy Forum

Review and Update of the World Bank Safeguard Policies

Consultation on the Second Draft Framework | Lima, Peru | October 9, 2015

TRANSCRIPT

Faith Nwadishi: Good morning, my name is Faith Nwadishi. I'm from Nigeria. I work with Koyenum Immalah Foundation, and I sit on the EITI International Board, representing English-speaking African countries. I want to, on behalf of our colleagues from the civil society and the Bank officials, welcome us to the consultations on the safeguards. We have about one and a half hours for this session, and I hope that collectively we'll work together to achieve the reason why we are here. I thank you for finding time to come here, and I hope that we will utilize the time and come up with suggestions on how to better engage the safeguards.

For me, when I came to the Annual Meetings last year and I was privileged to be part of the audience, it was interesting for me to note that a lot of our colleagues have had very deep engagements with the safeguards. But for some of us, it was kind of new, and we're interested in the realm of consultations. And that was how I took a particular interest in understanding what the safeguards were and how I could better engage using that framework to hold and work together with government. So I'm hoping that – not really – I know that within this crowd, there're a lot of people like me, like the first time I came, and I know there're also experts here.

We have the Bank officials who are working on this issue and will be here to clarify our doubts or give us more information. So it's an interaction, a consultation, where we get feedback on what is happening on the field. And I hope that everyone will keep an open mind, like me, at this meeting. I am very happy that I'm moderating this because it's going to give me an opportunity to learn and to also share some experiences. So once more, I thank you for being here.

We have in our midst some very senior Bank officials, we have civil society colleagues who'll be sharing with us experiences, and then we'd open up the floor for questions and answers. So thank you very much. To go ahead, I would like to ask the World Bank officials that are here to please just introduce themselves; tell us your names and the office and what they do with the safeguards. Thank you.

Mark King: Well, good morning, everyone. You'll get sick of the sound of my voice in a few minutes because I'll be doing the presentation. But my name is Mark King. I am the Chief Officer for Environmental and Social Standards in the World Bank, and one of my responsibilities is to lead the safeguards review.

Maitreyi Das: Hello, good morning, everybody. My name is Maitreyi Das, and I am the Global Lead on Social Inclusion.

Charles Di Leva: Hi, good morning. I'm Charles Di Leva, Chief Counsel in the World Bank Legal Department.

Hart Schafer: Good morning, everybody, my name is Hart Schafer. I'm the Vice President for Operations Policy and Country Services in the World Bank that is basically in charge of the safeguards. I've been at the Bank for over 25 years, spent a lot of time working on Africa. My last assignment was as a Regional Director in Egypt, taking care of Egypt, Yemen and Djibouti. I'm delighted to be here. Good morning.

Bill Rahill: Good morning. My name is Bill Rahill, and I'm Director for Environment and Natural Resources, Global Practice. Delighted to be with you here today.

Maninder Gill: Hello, my name is Maninder Gill. I'm Director for Social Development and working on a range of issues and topics, including the social safeguard policies. Great to be here.

Faith Nwadishi: Thank you very much. I'd like to just give a little bit of information about what the agenda today will be like. We're going to have opening remarks from the Vice President of Operations, Mr. Hart. And there will be a short presentation on where things are in the safeguards review process by Mark. Then we'll take comments from our CSO panelists, and then it will be opened up for Q&A. So quickly, let's hear some opening remarks from Hart. Thank you.

Hart Schafer: Thank you very much, Faith. And thanks all for joining us here. This is a very important meeting, and I actually have been involved in safeguards not only for the last eight months, but it was, I think, three or four years ago when I was the Operations Director in Sustainable Development. That's when the idea came that we needed to revise, review and update and modernize our safeguards. The safeguards had served us well for the last decades. But things around us had changed. The governments' own capacity had changed, the governments' own rules and regulations had changed tremendously over the last decades, but also social issues had become much more important and much more to the forefront. What we wanted to aim for was to have a modern set, a modern framework of consistent safeguards.

The IFC had gone ahead before us, and so we embarked on a process. And if I say I was involved three or four years ago, you can imagine, I mean, this is a process that has been going on for a long, long time. But I think, if you want to get it right, this is the time that it takes because for us in the Bank, it means we have to get on board 188 shareholders. We have to find a solution that everybody will be comfortable with in terms of, how do we identify the risks to the people and the environment? How do we manage those risks to the people and the environment? And if those of you who were listening or were in the opening of the Annual Meetings, Jim Kim, our president, he was saying that what we need to do is, we need to protect the planet for future generations.

And this is where safeguards are important. As a former country director, I have seen safeguards in the frontlines. I have been seeing how the safeguards actually help us get better results, make sure that those people who we actually want to help are protected, that there is fair treatment, that the environment is protected and that we are actually achieving sustainable and better results for the future.

Now, when I look at where we are now with the safeguards after two phases of consultations, we have a draft that we presented to our Board, and we are just now launching the third phase of consultations. Now, you may want to ask, why do we need another phase of consultations? Well, for one reason, there are a lot of issues that are still open, that are not finalized. And if you have looked at the website for the safeguards, you have seen there is a long list of 56 issues that we need to focus on.

Second, we want to make sure that the safeguards that the Bank comes up with are actually implementable, that the borrower capacity is there to implement them so that they're actually taking effect. And in the third phase we are going for consultations to 30 countries across the globe. It will be in-depth consultations to see how these safeguards actually would work on a day-to-day basis – for the borrower, for the civil society, for the World Bank teams. And that is what we are calling road-testing, and Mark will give us a little bit of an overview.

What I want to assure everybody is that safeguards have been a cornerstone of the Bank's implementation of investment projects for the last decades – a very important cornerstone to ensure that the results are sustainable. They will remain a very important cornerstone as we go forward. And what we are looking for is a modern framework that protects and ensures the future of the people and the environment.

With those words, let me thank you again for joining us. I look forward to a number of questions, and I will try to provide the answers as best as we can. And I hand it back to Faith and then Mark.

Faith Nwadishi: Thank you very much for reassuring us that this is really a consultative process and that our concerns will be brought to view [inaudible] and also the fact that in the past days we've heard so much about the inclusiveness of persons. We're hoping that it would also include inclusiveness of thoughts and actions. So, I'll call on Mark to give us an overview of where we are from the other consultations to what will be happening with the third [phase of] consultations, what has happened and what we need to do to support the process or know about your consultation programs because I'm sure there are a lot of people who would want to know that. Thank you.

Mark King: Thank you, Faith. I'll be using the presentation there, and I know it involves a lot of people's straining their necks, but it serves two purposes. Firstly, it's good to look at and secondly keeps me on track. So, what we'd like to do today is to basically recap for people present, the reasons behind the safeguards review. I know there are a lot of people in this room who've been engaged in this process for a very long time, but there are also many people who are here for the first time. So, I want to help them get up to speed as much as possible. I want to then talk about the standards, what's changed from the last draft a little bit. And more importantly, I want to talk about some of the unresolved issues because that's the area that we could really benefit from your views and feedback.

So, what we're trying to do in this exercise, this safeguards review, is to basically modernize the World Bank's environmental and social framework; to harmonize with the other development partners, many of whom have revised their policies in the last few years; to cover a broader range of environmental and social issues; to regain some form of leadership in terms of development within

the world; and to support the twin goals of the Bank, which are eliminating extreme poverty and building shared prosperity.

Now, as you know, the Bank currently has a set of operational policies. These were developed in an ad hoc manner over time. There was a forestry set of issues and challenges, so we developed a forest policy; indigenous peoples, so we developed an indigenous peoples' policy. But these policies individually do not represent a cohesive, comprehensive approach to environmental and social issues in development. And so what we want to do now is have one holistic approach to environmental and social issues through an environmental and social framework.

And in doing that, we want to build on the existing operational policies. They have very many requirements and commitments. We do not want to lose those, so we're building on those. We are addressing emergent issues or issues that have been around for a number of years, but the Bank has not dealt with them in a systematic manner. We want to ensure that those are built into the new framework. We want to have, now going forward, more emphasis on what happens after Board approval, through better monitoring and supervision of projects.

There is a term that many people use, which is frontloading. And it's to signify that the Bank spends a lot of time, puts a lot of emphasis, working with borrowers to get documents ready before Board approval. But then during implementation, the Bank does not pay sufficient attention to monitoring and supervision. What we aim to accomplish through this framework is a better balance and to put requirements on ourselves, but also on our borrowers, so that we can monitor outcomes on the ground and manage the risks on projects in a better way. And through this we will support the attainment of the twin goals. We see the Environmental and Social Framework as a vehicle to bring about sustainable development to support the twin goals – some may see it as an obstacle, but we see this as a vehicle to bring about the twin goals.

Now the review process, as Hart has said, has been going on for a number of years, starting off with a general Approach Paper and directions given to the Bank staff by the Board. Those directions included a request that we harmonize as much as possible with our sister organization, the IFC. We had a number of global discussions, which led to the preparation of the first draft last summer. We then had another round of stakeholder engagement and produced the second draft, and we're about to embark on the third round of consultations. In total, this has been the biggest engagement exercise the Bank has ever undertaken and probably the biggest that any other MDB has undertaken also.

Not only are we going to many, many countries, but we're also having many more in-depth discussions in countries. In some situations, this will be two or three days of discussions with governments, for example. We will then produce a third draft and take this to the Board. The emphasis from our perspective is to have a quality third round consultation exercise and not to rush this. And so, as you see, in mid-16 there in yellow, it says, to be determined or to be confirmed. We're not quite sure exactly when we will go to the Board, but we expect – as I'll talk a little more about later – we expect this consultation to be over in the spring, and then we'll prepare a revised draft.

Now, I just want to talk about some of the changes between the first and second draft. And I'll do this quickly because I know many of you have already focused on the differences between the first and second draft. But more importantly, I'd like to get onto the real meat of the third round, which is the list of outstanding issues or issues that the Board wishes us to discuss further with countries and give you, in a frank way, a sense of the political arena, if you like, the political economy, behind these issues and hopefully that will help you understand where we're coming from and the challenges that we have in going forward.

So, in the first standard we tried to clarify how and when we would use borrower frameworks, borrower legislation, to achieve the results we expect to see from projects. We also extended the list of vulnerable groups to make it clear that health status – in other words if someone is HIV+, that's also a grounds for potential discrimination or vulnerability – that needs to be looked at. We also broadened the definition of disability. Sorry, yes, Melissa, just to mention, this is all online so you don't have to scramble to write it down. We also firmed up the obligations of the borrower to provide information for stakeholder engagement. We addressed some of the concerns that people raised – many in this room – about land titling issues. And also we introduced the concept of ecosystem services throughout the draft. Labor and working conditions, many pointed out that the previous draft was lacking in that it did not address two of the core labor standards: freedom of association and the right of collective bargaining. These have been included. We've allowed for an alternative grievance mechanism for workers where this is not provided for under national law. We've provided stronger language and extended the scope of protection of this standard to other workers. And based on the advice of the ILO and WHO, we've added additional text on occupational health and safety.

We added into the standard that deals with resource efficiency and pollution control requirements related to short and long-lived climate pollutants. And we've also, after a lot of debate, deleted the threshold for reporting of greenhouse gases – and I'll come onto that in a moment. In community, health and safety, we included communities' exposure not just to communicable diseases, but also non-communicable health issues – so, living in a polluted environment, for example. We've also introduced ecosystem services there, recognizing that's an important concept when we talk about community and people's health. We recognized that climate causes disasters, so we've put in text related to that. We removed the requirements for product safety, recognizing that the Bank itself does not finance production, manufacturing processes, but rather that's in the realm of the IFC. And then one or two other elements, as you can see on the slide.

On land acquisition, we added an annex, which spells out the detailed requirements related to resettlement planning. We also recognized, which we inherently felt anyway, that in some situations, it's important to consider resettlement as a development opportunity. And in some circumstances, if there is large scale resettlement, then that could and should be considered as a separate standalone project to ensure that it has the attention that it deserves as an issue.

We included more explicit treatment of gender within the standard, and we also underlined the fact – or the requirement – that resettlement has to be financed and the financing for resettlement has to be built into the project documentation that goes to Board. In other words, the Board needs to

know the cost of the resettlement so that it can take that into consideration in the project before it's approved. And finally, we clarified that no displacement should take place without provisions being in place for the people to be resettled.

With regards to biodiversity, we incorporated the concept of ecosystem services. We harmonized our descriptions of the habitat along the lines of the IFC categories, which was a big request from a number of CSOs and others engaged in biodiversity, such as Flora Fauna International and so on. We also emphasized that biodiversity offsets should only be seen as a last resort and that there should be a high bar considering whether these should be accepted or not. We take a very conservative view of the concept of biodiversity offsets, recognizing that these are about future, potential outcomes. They're not guaranteed. And so we need to be reasonably sure, very sure, that these actually would work before we can build a project around that concept. And then finally, we introduced provisions related to animal welfare around animal husbandry.

And in terms of indigenous peoples, one of the – well, the unanimous voice that we heard from virtually every stakeholder, including many, many governments, was that the alternative approach that we had for dealing with indigenous people's issues should be deleted, and we've done that. We have clarified the wording around traditional and customary ownership of land, and also we've provided further clarifications on free, prior, informed consent. But as I'll come onto, this is an area that is still being debated.

Now, I won't go through all these but in terms of cultural heritage, we made it clear that intangible cultural heritage needs to be considered. This is something that we've been doing on an ad hoc basis for many years. We'd had projects where spirits live in rivers or in rocks, in trees, and these issues have needed to be considered in our projects.

ESS9 deals with financial intermediaries and in that standard, there was concern – and I'll come onto this in a moment – about the nature of standards that should apply to financial intermediary subprojects. So in other words, where we are lending money to a bank and a bank is lending money to smaller, medium enterprises or other enterprises, what environmental and social standards should those borrowers comply with. And we've extended the range of standards that they must comply with there.

And in ESS10 we've introduced a range of clarifications, but mainly to emphasize the point that we see this framework as a means for bringing about a greater degree of accountability – accountability for the Bank, but also accountability for borrowers. So, we've described a more robust process of stakeholder engagement. We've also required that borrowers disclose information on their environmental and social performance, their progress, on an annual basis into the public domain and that they continue to dialogue with stakeholders after Board approval during the life of the project. So, this is an ongoing means of dialogue and accountability. We've also introduced a requirement for project level grievance mechanisms, not only for all project stakeholders, but for workers in terms of labor standards. And separately from the framework but supporting it, we've also introduced an intermediate third level of grievance redress, which sits alongside the project level mechanism and also the Inspection Panel.

Now, the phase three consultations: the number of countries that we are going to and the methodology for conducting this third round have been very much dictated by our Board of Directors. Many of the Board, particularly in the borrowing countries, felt that the first draft was produced very much along the lines of what CSOs and advanced borrowing countries require. We often heard the comment that "you listened more to the CSOs than you did to us." And I cannot underemphasize the concern of many borrowing countries about this. There was the comment that "the first draft was about 100 pages, and we could barely live with that. Now you came along with the second draft, which has about 150 pages. And we can live with it even less." So, this is a key concern.

The third round is therefore borrower-focused. A lot of time will be spent in borrower countries, discussing their concerns about the implementability of this framework. And this revolves around the concern that many of them have, that this framework represents a big burden for them. It requires them to deal with many issues that they have not had to deal with before. They see project costs rising, and so they have concern over this. We will be discussing in detail how projects will be implemented, processed under the new framework and compare and contrast with the existing operational policies. And we'll do this by looking at some case studies, two or three in each country, that we choose jointly with the government, and we'll say, "This is how the project was processed using the existing policies, and this is how it might be different under the new policies."

And there you see the list of countries. The first one, in terms of Africa, the African Caucus Meeting was for information purposes, but that was a presentation that Hart and I gave to all the African finance ministers and addressed many of the concerns they have over issues such as indigenous people. We have roughly nine countries in Africa to visit and then, as you see, many throughout the Bank's countries of operations.

Now, I want to focus some time on the issues raised. And these are some of the bigger ones from the list of 52, but all are up for – 56, 52 – but all are up for discussion. The approach to human rights. The Bank is a community of 188 countries. And as you know, these countries have vastly different values, social, cultural environments, etc. And these are played out in different ways through the safeguards draft. Many countries would like a very strong commitment, explicit commitment, by the Bank to human rights, not only in the vision statement but also in the rest of the framework; others want no expression of human rights whatsoever. Many countries consider incorporating human rights to be a breach of the Bank's Articles of Agreement, which prescribe the Bank from getting involved in political issues. And this debate is going on at the Board level. And as many of you know, at the moment, explicit human rights language is mentioned in the vision statement, which is an aspirational document. There is also a mention in the indigenous peoples' standard, which is a follow on language from the operational policy on indigenous peoples.

In terms of labor, many countries have a concern about freedom of association and collective bargaining. Now, if we consider the views of the ILO, International Labor Organization, their view is that all countries have signed up to the fundamental declaration and therefore all countries are bound to the core labor standards, which include freedom of association and collective bargaining. But many countries do not see it that way. Many have reservations about including these two

standards within our framework and would like to see them qualified by some statement that they can be – or they should be complied with, in accordance with national law. This issue is still very much in discussion.

Climate change and greenhouse gases. Many countries have been concerned that the requirements we placed in the document in ESS3 are in some way compromising the climate negotiations; that somehow we are trying to get climate requirements in through the backdoor. The reality is the text that we have is the same text that was voted in by shareholder governments for the African Development Bank, the European Bank for Reconstruction and Development, the IFC, and they are even in the draft Asian Infrastructure Investment Bank requirements. All we have done to try and address concerns is take out the threshold of 25,000 tons, which required reporting of greenhouse gas emissions above that level, and said that greenhouse gases must be reported where there is significant production of greenhouse gases. But that issue is still very much up for discussion.

Indigenous peoples. This is an area of great concern to many African countries and many Latin American countries for a number of reasons. Some think having an indigenous peoples' standard in today's world is inappropriate, that it goes against national attempts to forge one nation out of tribal cultures, that the standard is divisive and can stimulate or cause ethnic tension. Others are concerned about free, prior, informed consent, that somehow consent gives a veto to development, even though the draft is very clear that free, prior, informed consent is not the grounds for veto. Still, this is very much an ongoing area of discussion with countries.

Non-discrimination. We have listed, as examples of non-discrimination or vulnerability, a number of issues, and amongst those, sexual orientation and gender identity. These two issues have received a lot of adverse feedback from many countries. Many countries say, "This is against our culture." Some have even said, "This is against God's law." This debate is a very, very real one. It's very, very emotive. And somehow we have to find a way forward on this issue. You all heard what President Kim said the other day.

The use of borrower frameworks. Again, this is an area of concern. Many countries say, "Look, we've progressed rapidly over the last 10, 20 years, since you revised your safeguards. We have systems that address environmental and social issues, just as you would require in your framework. So allow us to use our domestic legislation to meet your standards." Now, clearly if we were to do that, we would have to have a rigorous process of assessing whether the borrower system is in effect adequate and also not just look at what happens on paper, but the track record of the country in addressing those issues.

We produced a draft methodology. This is still very much a work in progress. And if you were to do a literature search, you'll find there's very little in the literature anywhere about methodologies for assessing country systems. African Development Bank in March published a report, which looked at six countries, benchmarking six African countries, benchmarking those against the African Development Bank standards. And to very quickly summarize the conclusions, none of the countries meet African Development Bank standards. Some are very far behind. South Africa is probably the

nearest. But it underlines that many, many countries are way behind what we would require and will need capacity building to bring them up to speed.

Treatment and the rights of squatters is a key issue. Many developing countries do not share our belief that squatters should have any recompense if they are involuntarily resettled. This has been an ongoing issue in many projects and will continue to be so. And it's an area still under discussion.

And then finally the last point on there and then I'll wrap up fairly quickly, many countries are saying, "Look, if we do have to adopt this framework, you will have to help us build our own capacity. You will have to make funds available, consultants or whatever, to build our capacity." And the Bank stands ready to do that. We also have to build our own capacity because as you've seen from these standards, they introduce new topics to the Bank, such as labor, that Bank staff have not had to deal with on a routine basis. So, we also have to identify skill gaps within our own institution and build capacity, not only in those obvious areas but also in terms of looking at a more robust process of environmental and social appraisal on projects and also how to monitor and supervise in a better way.

So ladies and gentlemen, that was a very quick summary of some of the key issues that are being discussed. The first meetings kick off in two weeks' time, roughly two weeks' time, in China and India. And the meetings then roll out through the rest of the year and into January and February and probably into March. And then we'll see where we go. So thank you very much for listening.

Faith Nwadishi: Thank you very much, Mark and others; you actually ate into our time. So, I hope that the members of the panel will do us a favor by keeping to time. We'll have about three minutes each and maybe two minutes additional. What will happen is that the panelists will have to introduce themselves and tell us a little bit about their background. And more or less of what we want to hear from the presentations will be personal experiences and comments on the presentations from the consultation so far. Thank you. So, I am going to start with Catalina.

Catalina Devandas: Thank you very much. I just have to make a small clarification because I'm not representing civil society here. I'm an independent expert appointed by the Human Rights Council, and actually we have a representative of the International Disability Alliance that will be the right person to call the civil society representative of organizations of persons with disabilities. But in my mandate, as part of my duties is to follow up closely with the processes that affect inclusive development — so, how development is being inclusive of persons with disabilities. And that's why I'm working on these issues. Also, my direct interlocutor is states, governments. So, I have to provide technical assistance to states. And in that regard, it's also very important for me to be here because I can now, especially in this third phase of consultation, try to influence how governments will react to this consultation and include persons with disabilities.

I think that given the limited amount of time, I'm still concerned about this process in terms of — regardless of the efforts that have been made to promote inclusive access and non-discrimination, we still have the impression that not all the standards are equally...or could be equally applied or apply for persons with disabilities or other groups, of course. We're concerned that [in terms of] issues of accessibility, we do not have a definition of accessibility. It is not considered as a

mainstream issue that should be considered in every single standard. There is also a big [issue] – which we believe should be [considered] a mistake – because the definition of inclusion doesn't mention persons with disabilities. I hope that that could be looked at.

Then we also have a big question on the issue of capacity building because we believe that that's one of the main gaps in how to move forward with these and to implement these. How is the Bank developing the capacity of the partners engaged – even the Bank staff – to be able to move ahead with the standards? I don't want to take more time. Those are four main ideas, and then we'll probably have more time to interact. So, thank you.

Faith Nwadishi: Thank you very much, Catalina. Let me let us know that we're not having live streaming. But the discussions here are recorded, so if you are making a comment and you don't want it put on record, please let us know ahead of time. Thank you. Thank you very much, Catalina. Then Eugeniy.

Eugeniy Lobanov: Thank you very much. I'm Eugeniy Lobanov from Belarus. I'm working for Center for Environmental Solutions. It's a national organization, working mainly with energy and climate issues and also chemicals and waste and also working a lot on promotion of a sustainable lifestyle. I'm mainly talking from a national perspective because we're not so much involved in international negotiations.

I will also try to make a few very quick points regarding specifically environmental aspects of the safeguards because I also have some concerns that, especially on the national level in many countries, especially countries with economies in transition and developing countries, the environment is still not really a priority in comparison with social and with economic issues.

The first one is the importance of assessment and addressing of environmental risks. We do know quite a lot of good projects supported by the World Bank, but also we have a record history of, let's say, challenging projects, which really affected local communities and the environment — for example, big dams in some countries. I think it's very important that ecosystem services are really taken into proper consideration, while making an assessment of infrastructure as a project. Here I see also a lack of capacity for many countries, again for example, for developing countries and countries with economies in transition because it would be very difficult and very challenging for them to make proper ecosystem assessments. Here, perhaps, help from the safeguards is really required.

A second point would be about climate change and energy. Well, of course we understand that this is perhaps one of the hottest, cross-cutting issues nowadays in the environmental agenda. I was very pleased to hear this morning from Dr. Kim that he outlined that the World Bank will significantly increase commitments to invest in climate-related projects. But it will also mean that national governments and national stakeholders shall really, very seriously [need to] address climate change issues. I think that safeguards shall really require a detailed assessment of all greenhouse gas emissions during the whole project life cycle because now I share a real concern that, for example, fossil fuel projects are still eligible for the World Bank portfolio. I know that already in 2011 there was a plan to develop an energy strategy of the World Bank; it was not really succeeded so far. So,

perhaps the safeguards shall really make clear that all projects supported by the World Bank shall be at least climate neutral.

Another point, which I think very important on the national level, is new and emerging environmental issues because I feel that sometimes we too much concentrate on climate change, and we tend to forget or not to pay significant attention to other environmental issues. For example, so we're working a lot on chemicals and chemical safety, and so far we've got I think around 150,000 of registered chemicals only under REACH in the European Union. And there was a very interesting publication, Global Chemicals Outlook prepared by UNEP, like two years ago. According to the Global Chemicals Outlook, direct economic loss in Africa, Latin America and South East Asia from lead pollution of children is around \$2 billion. And indirect economical losses associated with intellectual disadvantages is around \$100 billion. So it's really a major development issue. It's actually more than direct international development assistance to these countries. And I think that the proposed safeguards shall really encourage countries and stakeholders to take into account these new and emerging environmental issues.

Perhaps the third point which I would like to mention is the real importance of public participation. Here, we're talking about the tenth principle. It's critical to ensure proper stakeholder participation at a very early stage of a project discussion because I know that in many countries, again in many developing countries, the environmental impact assessment procedure is taking place after basically agreement with the World Bank is made. It means that for local groups, there's not really a lot of space left to participate in decision-making. They can only discuss how the project could be implemented but not discuss whether it's needed. When we're talking about environmental assessment, perhaps we should understand that a lot of real, local knowledge is related to local citizens and local environmental groups; it's very important to ensure proper participation in the decision-making. So, perhaps those would be my initial comments. Thank you.

Faith Nwadishi: Thank you very much, Eugeniy. If I would make a summary of what the two panelists have just said, while we're waiting for Caroline to make hers, I think the major issues are around capacity building; concerns about inclusiveness, accessibility, the definition of inclusion and inclusion of persons living with disabilities; and, of course, around participation, which could actually be tied to the issues around inclusiveness — what, how and who do you consider when you're carrying out your consultations — and participating especially from the early stages of the project cycle; and environmental issues. So, I would like Caroline to give her own perspective to the discussion. Thank you.

Caroline Gibu: Okay, thank you very much. My name is Caroline Gibu. I am Director of Ciudadanos al Día, a non-profit organization here in Peru. We're in promoting best practices in the public sector but also working on social accountability from civil society. So, let me switch to Spanish. I ask you to please put on your headphones because one of the things that we have to confront in this process is language.

[Spanish 01:00:04 - 01:04:30]

Faith Nwadishi: Thank you very much, Caroline. She just brought a new perspective to the whole discussion around participation and what standards [to apply]. I think Mark and the Bank officials that are here will have to do a lot of clarification, because for me, the last points that Caroline made about having two different standards – you have a standard in a country and you have the World Bank standard – and the safeguard is proposing that borrowers' frameworks could actually be applied where you have your own standards. So, I would really like to hear what the Bank would be doing around all of that when you know that maybe in country, you have lower standards or lower requirements, especially around issues of participation, inclusiveness and the environment.

While we take the first round of questions, I would just ask again that we be as open-minded as possible. Let us address the issues, questions, comments, so that we have as many persons as possible to make comments. We are going to give you a minute. Is that a commitment? I need to get that commitment – one minute for every speaker so that we get as many as possible. Please come forward. Introduce yourself, tell us your country.

Henry Bazira: Thank you, Faith. I'm Henry Bazira. I work for Water Governance Institute, an organization in Uganda. I have a proposal and two questions. It is good that the World Bank is moving away from frontloading its operational policies in the preparation and implementation of projects and is moving to monitoring projects during the project implementation.

My proposal here is that the Bank should actually...[inaudible] I would like to see a framework that is allowing for monitoring projects even after they have come to a close. I think you need to define the timeline – the time for which a project can continue to be evaluated, even after it is closed, because the impacts that happen, happen longer than the timeframe for the project. It will be important also to see the remedial actions that you put in place to address the issues that may have been persistent through the implementation of the project. That's my proposal.

My question now goes like this. Somewhere you talk about, I think it's also been talked about by the last two discussants, about the use of the safeguards and allowing the Bank to have the discretion to apply the safeguards. My question is, how did you test your safeguards to determine that they are higher than the country level? What parameters did you use for you to determine that you have the discretion for that? We need evidence, especially in a situation where we have evidence of Bank projects that have actually resulted in a lot of social environmental problems.

Then my last question is, what actually constitutes a consultation? Is it coming to a meeting and being registered as having been part of the meeting for you to be considered as having been consulted? Are there proper guidelines or a standard or a framework to say, "This is what constitutes a true consultation"? Thank you.

Vladimir Cuk: Yes, thank you very much. Vladimir Cuk, Executive Director, International Disability Alliance. Thank you very much for getting us here, for doing so much work on the safeguards over the last couple of years. Our first two recommendations are more detailed about text itself. Our first one is that at the beginning of the document, there is a definition of disadvantaged and vulnerable groups and then a list of these groups is now in the footnote. We would like to

recommend that that is brought into the main text. This is good for people with disabilities but also in general for many vulnerable groups.

Secondly, to call for general consistency throughout the whole document when different groups are being referenced, defined, such as poor, vulnerable, disadvantaged and then follows with the, “such as,” “including” – that in those moments, people with disabilities are each time referenced or to just define what it means at the beginning of a document and then simply apply across the document.

General comment: we heard you very well when you said that there are countries that are worried about how this will be really implemented when there're so many references to the vulnerable groups. I'd really like to stress here that there are a number of organizations of people with disabilities at the national level that can work with local governments to help them implement and to show them what does it mean really. Usually it doesn't cost much more, and it can be done always. If you want to make an accessible project, it cost only 1% or 2% more if it is planned from the beginning. In that, organizations of people with disabilities can help, and this I believe goes for so many groups. Thank you very much.

Faith Nwadishi: Thank you very much. Thank you very much. Number three.

Raphael Zuñiga: [Spanish 01:11:19 - 01:13:56]

Faith Nwadishi: Muchas gracias. Thank you very much. And the last person here. Yes, please can you bring the microphone? Oh yeah, sorry.

Alison Hillman: No, that's okay.

Faith Nwadishi: Sorry, we'll get back to you. Just go ahead quickly.

Alison Hillman: My name is Alison Hillman. I work with Open Society Foundations. I guess my comment and kind of question is, if the Bank's twin goals are eliminating extreme poverty and boosting shared prosperity by 2030, as Jim Kim and kind and numerable Bank staff have underscored here, and that the Bank's focus is on promoting inclusion and that we cannot achieve the Bank's goals without taking very concrete and deliberate measures to ensure inclusion and dignity of marginalized groups, that that is respected, it seems contradictory to me that borrowing states would oppose the safeguards that are aimed at addressing exclusion and non-discrimination that would ultimately support the economic growth and shared prosperity. So, I wonder if somebody from the Bank could respond to that. Then just also to underscore what our colleague said just now, sign language interpretation would certainly be one method that the Bank could include so that others with disabilities could be included. Thank you.

Juana Montes: [Spanish 01:15:30 - 01:17:33]

Faith Nwadishi: Thank you very much. We would want responses from the Bank officials on these issues that have been raised, especially looking at the issue of accessibility. It's a concern. Accessibility, not only in terms of physical accessibility to project sites, but also accessibility to documents by language translation, making it accessible for all persons living with disability, taking note of the different types of disability and catering for them in all of that. So, Mark?

Mark King: Thanks very much for those questions. I'll start off but then I'll pass around to colleagues to also contribute. Firstly, we're very sorry about issues around accessibility. This is clearly an indication that we need to do better, and we will. This is one of the reasons why we've been discussing with Catalina, the need to develop detailed guidance on how to take into account – identify and take into account – issues around disability in our projects to make sure that they're truly accessible to all. So, practically going forward, we will develop a guidance note on addressing and mainstreaming consideration of disability issues. We will publish that for comment, and then we will finalize the document.

I just want to say a little bit about borrower systems. There was a question about how we assess borrower frameworks and what do we do if there's a big gap between borrower frameworks and Bank standards. The first thing to say to reassure everyone is that the default position on projects is that the Bank standards apply directly – direct rule, if you like, from the World Bank. Our standards apply to projects. If countries would like us to consider using their legislation and processes and so on to meet the Bank's standards, then we will look at that. But the final decision lies with the Bank, and it has to be that way because we are the lender. It's the Bank taking the risk, lending governments' money, taxpayers' money to projects. So, we have to be sure that the risks are going to be managed adequately.

Again, we're developing detailed methodology for assessing borrower frameworks, and even where we use a borrower's framework – let's say we allow Peru to use its national legislation to produce an environmental and social assessment of a project – the Bank still has to review that ESIA, that document, to see if it addresses the risks of the project adequately. So, it's not a matter of us giving over responsibility to borrowers to manage their own projects. We have to be comfortable that the risks are being identified and addressed in an adequate manner and Bank standards are being complied with.

I'll just pass to Maitreyi who could probably say a hell of a lot more than I can on inclusion, as the lead in the Bank on inclusion issues.

Maitreyi Das: Thank you, thank you very much. I think each of these questions is extremely profound. Let me start with the gentleman from Uganda, when you asked the question about how do you make sure something is a good consultation? To my mind, I mean, the way we would think about a good consultation is a) have you looked at the people most likely to be voiceless in that consultation? Are they there? Second, are they exercising voice? And there's innumerable guidance on how you could actually structure a consultation that ensures...So for instance, will women speak in, even if you invite them, are they going to speak in front of people who are hierarchically considered more important? Are they going to be voiceless, even if they're there? So, should you be having different consultations for men and women? Yes. Will young women speak in front of older women? Probably not. So, is there a way in which you could actually have smaller focus groups, if you like, of consultations? So, that's one thing.

So to my mind, the first thing would be, who is likely to be left out here? Whose voice is likely to be the loudest and the weakest, and how do you ensure that? Second, are you listening to what

they're saying? They could be speaking, and you could be nodding your head and not listening. If you are listening, how do you prove that you're listening? Well, does their voice actually enter the design of a project or the supervision of a project? That would be something that would say, yes, you actually listened to the people who are most likely to have been left out.

And then something that I don't think we do enough of but I think we really need to do a lot more, is reporting back. We do have a lot of consultations and big meetings, but do the people know what you did with what they said? I think that feedback loop is extremely important. And at various places, there are grievance redress mechanisms. So, do those work? Are people able to anonymously say that they have not been listened to or that their voice has been hijacked by someone else? Those would be, to my mind, in terms of a good consultation. It's not just the consultation. It's really an input into design that is really – that's extremely important.

Generally, there're several questions on persons with disabilities and voice and accessibility. We have a very, very heterogeneous group of countries that we work with. There are some countries where disability data and other data is very rich. And there is a very strong disability rights movement that then helps in the lobbying for people with disabilities. And then there are countries or areas within countries where none of this is available.

Yesterday we had a conversation with Catalina exactly on this. You could have data on disability that is completely, that is – so, Alison I think you said, why would people, why would government say, why would they object to something like this? Well, let me give you an example. Persons with disabilities: there are countries where disability prevalence is considered to be 2% and 3% or 1% and 2%. That's a complete under-measurement, mismeasurement of disability. Now, you go to a government and you say, "Well, we really need to account for accessibility and the dignity of persons with disabilities." And they say, "Well, that's not such a big thing in our country. Look, our census says it's 2%." So, I think that at the core – I mean, there're a lot more reasons, and you probably know them as well as I do, but these are certain fundamental things that we need to have in place.

So data: do we know, are we able to generate enough knowledge that says these are ways in which persons with disabilities or indigenous people or the intersection of being indigenous, female, with a disability – that heaps a kind of triple disadvantage – are we able to have ex ante analyses that say to people, "Look, these are the people most likely to be left out"? And not just enumerate them, but to say, "This is the way they're likely to be left out, and this is what it could do to your project if they're left out"?

I'm just hazarding some thoughts on what you're saying. Clearly there aren't any clear answers on that. I think we've got to actually think through many of these issues. Let me stop here, unless there's something specific that you want...In terms of inclusion, I just also wanted to say that the way that we define inclusion, we put identity as being central. We say social inclusion is the process of improving the terms for people who are disadvantaged on the basis of their identity. So, it's not just the fact that you give them the opportunity, but do you give them an opportunity that they're able to avail with dignity that will then have them take that opportunity? Because it could be

negative opportunity, frankly. So that's the definition, and we put identity as being central and intersection of identity as being very central to social exclusion.

Charles Di Leva: The gentleman from Uganda also I think asked the question about monitoring after the project has closed. There's a little known provision that we currently have in the resettlement policy that says a project won't close if you haven't completed the resettlement obligations. What we did, as an improvement in the new standards, is that we discussed among ourselves, why should we only limit that to a resettlement plan? What if we had a community, health and safety plan? Why should that end if it's not completed by closure? So in the new system, what we have is, if you haven't completed the obligations, you have to keep doing it, or we don't close that aspect until it's done. So, we've applied that across all the various obligations that we have under the new standards.

That's similar to what we did on the grievance mechanism because currently under the safeguards, the only safeguards that require a grievance mechanism are under resettlement or indigenous people, but now as of our umbrella approaches, all projects have to have an appropriate form of grievance mechanism available. So, these I think are little noted enhancements that we have under the current system.

I think one other point that the gentleman raised is, how do you test if safeguards are higher than national law? Well, we don't really have to test it because every time we go discuss issues with government agencies, they're the first ones to point it out to us. Basically, what they feel in many circumstances is that they labor under two systems. They have a system, for example, on compensation when they exercise their sovereign power of eminent domain, and they have a compensation rate. Then here comes the World Bank, and we have a compensation rate that is usually higher than national law. So, the government officials say, "You're putting us in a very difficult situation." Our response is, "We have a standard. If you're going to borrow from us, that standard is going to apply." So when we go, we understand what those differences are. We have always said that our legal agreement acts as a contract between the Bank and the borrower, and they're obligated to follow that.

Related to the same issue, they say, "Well, then you're forcing us sometimes to compensate people who are illegal. Why are they squatting in these particular areas? They go in, and they know that the World Bank project is going to come along and offer them this compensation." Our response is, "Since 1990 at least, this has been the policy of the World Bank, that if you don't have recognized title, then your livelihood still needs to be restored if you're being covered by a World Bank project."

Faith Nwadishi: Sorry, I need to know how much time we have left so...

Speaker: One more round [inaudible]

Faith Nwadishi: Of questions. Okay. Sorry, I'm through with this side of the room. So, you're going to be number one. Number two, three. Do we have anybody behind? Four, okay four. And then just one more person, five. Sorry, I had to give it to a woman. So, number one.

Tamara Adrián: Thank you very much. Hi, I'm Tamara Adrián. I'm from Venezuela. I'm part of a coalition of LGBTI organizations that have been working with the safeguards since 2013; I have since the very first draft. I have been following the discussions and all the process for the safeguards. I'm very concerned about the statement that I've been receiving in this session concerning these objections raised by many countries based in their own prejudices and particularly in homophobia and transphobia. My question is much more precisely, what do you have in mind in order to deal with these issues in order not to invisibilize the LGBTI population in the safeguard – at the moment of the approval of the new safeguards?

Rio Ismail: [Indonesian 01:31:51 - 01:31:55]

Translator: Thank you. My name is Rio Ismail from Indonesia.

Rio Ismail: [Indonesian 01:31:58 - 01:32:16]

Translator: For the last few days I've heard the words "inclusion, partnership, capacity building," but it seems that this is in the context of what the countries want and not what the people that are hit by the projects are asking for.

Rio Ismail: [Indonesian 01:32:33 - 01:32:47]

Translator: There seems to be a gross oversimplification, and it is as if a bad thing happens to the environment, we can just fix it. If a bad thing happens to a community, we'll clean it up afterwards.

Rio Ismail: [Indonesian 01:32:56 - 01:33:24]

Translator: I personally witnessed the massive destruction of the environment and local communities. In my country, we have a new democracy, but even our new democracy is not able to protect our environment and protect our people.

Rio Ismail: [Indonesian 01:33:36 - 01:33:54]

Translator: The World Bank and the IFC have created large financial intermediaries for infrastructure that are the single window through which massive infrastructure projects in our country will be guaranteed or financed, and we can get no information on this. They're out of control. No one in our country, no citizens are able to have any information or control over these destructive projects.

Rio Ismail: [Indonesian 01:34:12 - 01:34:23]

Translator: We believe that the safeguards must be very strong and very clear so that they can provide very strong protections against these kind of things that happen to our communities and our environments.

Rio Ismail: [Indonesian 01:34:34 - 01:34:46]

Translator: If the safeguards are going to be weakened, as in the second draft, the most vulnerable of our peoples will be hit the hardest, and this will lead to an additional weakening of our own national safeguards.

Rio Ismail: [Indonesian 01:34:56 - 01:35:07]

Translator: If you do not strengthen, if you dilute the existing safeguards, you're playing with our lives. You're playing with the lives of our people, our most vulnerable people and our environment.

Rio Ismail: [Indonesian 01:35:18 - 01:35:51]

Faith Nwadishi: Please, just get to the point. [inaudible]

Translator: Yes, my recommendation.

Faith Nwadishi: That's your recommendation?

Translator: Yes, I'm translating. My recommendation is that you ensure that the requirements and the safeguards are very clear, very concrete, that they're mandatory, that they apply through each of the – it's not a principle-based thing but it's a mandatory implementation, including things such as the rules for determining countries' equivalency. You currently have rules for determining country systems' equivalency. We request that you keep those same rules intact. Thank you.

Faith Nwadishi: Please, to all, just use the one minute we have. Go straight to the point. Let's not give any speeches. If you have a question, ask your question. If you have a comment, just make it within the one minute. Thank you.

Yaw Adu-Gyamfi: Thank you. I think one minute will be enough for me. My name is Yaw Adu-Gyamfi. I'm the co-founder for the Centre for Social Innovations based in Ghana. The Africa Progress Panel has just released a report, and there's a very interesting quote in there that I want to share with us all, just to get some feedback on how this quote sits in with the framework discussions that are going on concerning safeguards. And I quote, it says, "We categorically reject the idea that Africa has to choose between growth and low carbon development. Africa needs to utilize all of its energy assets in the short-term, while building the foundations for a competitive low carbon, energy infrastructure." Africa Progress Panel, 2015. I'd like to get some feedback concerning how this statement sits in with the discussions ongoing. Thank you.

Roel Mori Rojas: [Spanish 01:37:47 - 01:38:34]

Carmencita Tedman MacIntyre: Good morning. I'll say it in English because my answers haven't been answered before. My name is Carmencita Tedman MacIntyre from Panama. I'm from CODETIAGUAS, Coordination for the Defense of Lands and Waters and the Alliance in Defense of Hydrographic Basins. I'll be fast. Biodiversity: don't you consider that there are places in the world, when you look at the globe, and you see that there are only a few pockets left with biodiversity, with animals' habitats and people in them, that they are worth conserving intact, preserving them without the mega destruction projects going into them?

Second, very important, public consultation. If it's free, public and informed consent, when the communities say 'no' to the project, still the project goes ahead, forcing them into resettlement and displacement, which is really forced eviction. When you do this to vulnerable communities like indigenous peoples that are in the numbers of 3,000 or less, you force them into extinction. Extinction. And this is happening right now.

And lastly, it's a question that I posed to Dr. Kim saying that the fact is that the Bank has invested in projects around the world that have worsened climate change, indeed pushed it. They have destroyed forests, environments, hydrographic basins, and in the process, displaced the people, the indigenous people, campesinos and citizens from their communities, making them even poorer than they are. And that is a fact. Why?

Now with the safeguards, we have a hope, yes. But Dr. Kim said that he didn't agree because you had in place a very good program which is the CAO. And I want you to tell Dr. Kim that me, Carmencita, we put in the complaint to the CAO on the Panama Canal Expansion project, which is the largest project in the world, which has a lot of problems now. We put in the complaint to the CAO in 2011. They pulled out. They pulled out, they didn't want to continue the investigations, yet the project is plagued with problems today. And I've been asked by Mr. Osvaldo Gratacós to put in the complaint again. And I tell you, that is very impractical. It's unfair. The project is at its end. Many things could have been resolved which cannot be resolved now. That was my answer two nights ago, and I want your comments on that, please. Thank you.

Bill Rahill: Thank you. I'm delighted that there are questions on environment. The social agenda is really big in this review and update. First, there were actually questions from a gentleman of Belarus I want to touch upon. You emphasized the importance of environmental and social assessment. I couldn't agree more. This is a reminder to all of us that even as we look forward, as we look to expand the scope of safeguards, we should not forget the basics. An environmental and social assessment is very much a core, basic part of the work that we do.

You mentioned that ecosystem services are important. They are. You also mentioned that there will be capacity issues in countries to deal with that new aspect that's being proposed. Honestly, it's going to be challenging for all of us. There's very little that's been done around assessing the impacts in ecosystem services, and it'll be a learning curve for the Bank. It'll be a learning curve for our clients as well, and we're all in this together. I think a few years from now we'll be able to look back, I hope, and conclude that we've really enhanced our ability to deal with that new aspect that's being proposed.

There were a couple of questions around climate change and energy and safeguards. Let's be clear here: the safeguards are not an energy policy. The environmental safeguards are not meant to limit – as the gentleman was pointing out – they aren't to limit access to energy. It's a very important point. Before a project actually is financed by the Bank, it goes through a number of review steps. Engagements with government, decision to include the project in the Country Partnership Framework. It's subject to the criteria of an energy sector strategy and also subject to our strategy on climate. So in a way, the safeguards are residual that applies to the projects after they've been screened at multiple levels. Again, just to be clear, the safeguards are not meant to be a limitation on access to energy. But they're meant to improve the quality of projects to the extent that it's economically and financially feasible. So if in your country a gas-fired project to produce electricity is the most cost effective, you have the resources, the safeguards will ensure that this is done up to international standards, that the emissions are in accordance with agreed criteria and that the resulting ambient conditions as well are respected. That is the purpose of safeguards.

On chemical safety, definitely it's a huge agenda for the Bank. We were a key player on Montreal Protocol, for example; we're a key player on persistent organic pollutants; and we're also engaged in mercury and other aspects as well. So, [it's] very much part of our agenda of the past and going forward.

Finally on biodiversity, absolutely there are areas that the Bank will not go. We are a huge financier of conservation, of parks, of trust funds. It runs in the hundreds of millions of dollars. So from that perspective, again, I think we're an important player. We're partners with many of you, with international organizations in conserving our global biodiversity.

Maninder Gill: There was one question in the earlier round which was on the fact that all borrower countries want to achieve something similar to the twin goals and include their populations, especially vulnerable groups. Why would there be disagreements? The reality is, while at the level of principles, there's absolute consensus that governments are meant to include and empower and assist people, especially the vulnerable groups, when it comes to the discussion revolved around issues of costs...because sometimes that makes projects more expensive or when there is a direct conflict with any local laws and regulations in very specific ways. Mark gave the example of LGBT populations. So whether [there is] the overarching desire to do good for everyone, then there is an issue of laws and regulations, etc. So that's, just to [respond], on that point.

On extractive industries, that's one of the toughest areas of where all of our safeguard policies and developmental policies come together. And it's one of the most challenging areas, especially in Latin America, as we have seen. So all of our safeguard policies do apply. There is a comprehensive social and environmental assessment. There are protections for indigenous groups who may be affected, people who may have to be relocated. There's increasingly recognition that there should be sharing of revenues – after there is consultation and consensus of the groups, there should be sharing of revenues. In fact in Peru, there has been an ongoing dialogue between the government of Peru, mining companies, IFC and the World Bank on how to promote sustainable development in the context of extractive industries and not only limited to environmental and social issues, but also on issues of revenue management and fiscal transfers. There's a lot of work to be done, but there is recognition that this is a particularly challenging area on which everyone needs to work together, and Peru is very interested in pursuing that.

Some of the best work on how to engage communities, benefit sharing, gender issues, comes actually out of the IFC's work with mining companies. It's worth looking at. There's a lot to be learned and a lot more can be done, but IFC's done some very, very useful and interesting work on that. I'm pointing to Bill because Bill used to be in IFC when that happened. But now he's in the World Bank.

Going to the questions [of] Carmencita. According to our policies, already there is free, prior, informed consultations; in the draft there is consent. So, a situation where indigenous peoples don't want to move, for us as an institution, it's almost impossible to move ahead with a project where indigenous peoples are not fully behind it and they have consensus to move forward.

Mark King: Just to touch on two points in closing, the question about how do we make sure that we don't ignore LGBTI communities in projects going forward. The challenge we have, we all have really, is to find a way of being inclusive, of addressing the concerns and vulnerabilities of LGBTI communities in projects, but without putting them at risk. I know many of you have very firm views on what happened in Uganda, the backlash against the community there. So going forward, we have to be very, very cautious. As Jim said the other day, he's still very firmly in the camp that we need to be inclusive; the issue is how we do that.

So again, the way we're looking forward to addressing this is by developing a guidance note that will help staff identify, mainstream and address issues but without putting people at risk in communities. So to put it bluntly, if we're financing a road project in Mauritania, where there is the death penalty, how do we sensitively approach the issue without putting people at risk? That's the challenge we have. So, we'll prepare a guidance note, a draft guidance note. We'll discuss it with particularly the expert group that we've been engaging with so far and then finalize it.

On the issue of Indonesia, this is a tip of an iceberg discussion we started earlier in the presentation. If you could kindly share with us the presentation, and maybe we can continue the discussions. Thank you.

Hart Schafer: Yes, Faith, maybe just a few comments, one also with regard to the colleague from Indonesia. The second draft that we are seeing, it is not a weakening of the safeguards against what we currently have. I just want to make clear that what we are doing is we are actually expanding them to include a lot of other, more social issues, that we are expanding the current set of safeguards.

Second, the issue around borrower systems. Basically, I see three advantages of moving forward with this approach, with this ambition of the Bank, as first, continuous support during the project cycle. Having been a Country Director, I know that projects, very often things can go – even if you did everything upfront – things can go off-track during the implementation of the project. With this safeguard framework, we have a better mechanism to respond quickly and make sure that risks that we didn't anticipate at the outset of the project that happen three years into implementation, are being addressed, mitigated and/or avoided.

Second point is, borrower's system goes hand-in-hand with capacity building. Ultimately, what we would like to see is that every one of the borrower countries is living up to the standard of the Bank systems. So, it's one thing if we do a lot of work upfront and check the boxes; it's another thing to work with borrower countries and help them where there are gaps to move their own rules and regulations up to the standard of the Bank because that means then that not only the investments that are coming from the Bank are being safeguarded by that set of rules and regulations, but all the investments that the country does, all the domestic resources that go into investments, are safeguarded by the same set of policies.

The third point is – and we haven't talked much about it – but three days ago, we had a session on the accountability mechanism. We are strengthening the accountability mechanism. It is not going to be impacted by the safeguards, by this reform, but the World Bank has the ambition to have

every one of our projects, they have a grievance redress mechanism integrated in the project. We also have launched in January a grievance redress service that if that first instance fails for complaints, you can either go through the grievance redress service where management is – and this is my VPU – is going to be involved, or ultimately we have the Inspection Panel. I think it is important that we see the safeguards together with the accountability mechanism.

Faith Nwadishi: Thanks very much, Hart. Thank you very much for all the comments. I'll give 30 seconds to our panelists to make a comment because we've really run out of time. So, Eugeniy.

Eugeniy Lobanov: Thank you. Well, I just perhaps would like really to support the idea that public participation, especially when we are talking about environmental decision-making, it's not only about to listen to people, it's not only about to listen to local communities but really to incorporate the voices into decisions which should be made by the government and by the Bank. The earlier stage you can do it, the better. So, here we'd really like safeguards to put clear requirements on borrowers to have this discussion and decision-making process with local population and with environmental NGOs as early as possible. Thank you.

Catalina Devandas: Thank you. For me, it's a clear message on what is the cost of exclusion. I believe that the Bank really has to invest a little bit more. There is hard evidence that shows that we're losing a percentage or maybe it's the approximate 1-7% of the GDP of a country because of the exclusion. So, we really need to figure out how to make this argument stronger so that we can get on board the policymakers in the Bank but also the policymakers at national level.

Caroline Gibu: [Spanish 01:55:14 - 01:55:21]. I would like to make a point about who [are the] people that are in the participation process and also what characters [?] [inaudible] to have. [Spanish 01:55:35 - 01:55:57]

Faith Nwadishi: Thank you very much, everyone. I think the consultation continues. I want to thank you for all your comments, your recommendations, and I hope that the Bank officials are going to also look at these recommendations. There's a commitment from the Bank to send the guidance notes on accessibility, inclusiveness. I would like to add that there should be a guidance note on consultations so that some of the thoughts we have identified here also could be taken into consideration. Again, emphasize more on the in-country or regional consultations.

Most times, these kinds of consultations that you have at global level don't happen at regional level. The last consultations that were done in Nigeria, I was sent an invitation less than 48 hours before the consultation. I stay about 600 kilometers away from where the consultation would happen. So, we really need to take all of this into consideration, get your inputs, get the emails, and please go to the website and get more information. Thank you very much for the time, and thank you very much for being here.

Hart Schafer: Faith, I would like to thank you for guiding us, and I would like to thank everybody for participating, particularly the panelists. In an hour and a half, at the Annual Meetings, we cannot go as deep as we want to go on each of these topics. So, I want to give you the reassurance from the World Bank team that is here with me that when we are going into the 30 countries over the next four months, we will meet with you, we will talk about these issues, and we invite you.

[END OF TRANSCRIPT]