



**Review and Update of the World Bank's Environmental and Social Safeguard Policies
Phase 2
Feedback Summary**

Date: December 2, 2014

Location: Delhi, India

Audience: Implementing agencies and partner NGOs

Overview and Key Issues Discussed: Key issues discussed include capacity building for implementation; subprojects; risk classification; climate change; voluntary land donation; Indigenous Peoples; and stakeholder engagement.

Specific Feedback from Stakeholders
1. General Comments
<p><i>Clarifications</i></p> <ul style="list-style-type: none"> • Clarification was sought on how the Bank will support operationalization of the Framework. • Clarification was sought on how the Framework will be implemented when national law is more stringent than the Framework, and vice versa. • Clarification was sought on why the Bank proposes a new set of standards, instead of adopting the IFC Performance Standards. For the implementing agencies, one single policy for all WBG projects would be preferable. • Clarification was sought on how the Framework will affect the Bank rules on project extension and additional financing. <p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • The Bank should also consider training and awareness raising on the Framework for borrowers and developers. • The Bank's proposed shift of focus to implementation is appreciated, since it was a major issue in the Phase 1 consultations in India. • In the Phase 1 consultations, dams were recognized as a main issue. The Framework should give equal importance to rivers. • The Framework would benefit from more specificity and clarity. Currently, the Framework is still ambiguous and subject to broad interpretation. Some shared, however, that over-specificity and clarity may be counterproductive as this may be too restrictive and not enable various country or local context situations to be taken into consideration. • The proposed Framework is generic and does not quantify parameters and values. More clarity is needed for objective implementation. Some shared, however, that on some social safeguards, quantification may not always be ideal or feasible. Subjective statements or analytical descriptions, which may not be purely quantifiable, may have a lot of "assessment" value (complementary to the

<p>quantified data assessment).</p> <ul style="list-style-type: none"> • The Bank’s due diligence should be across the board. In the proposed Framework, the Bank does not appear to review and approve enough for key milestones. This should be clarified in the forthcoming procedures. • The Framework should address all issues in the Millennium Development Goals, including gender and sanitation.
<p>2. A Vision for Sustainable Development</p>
<p>N/A</p>
<p>3. World Bank Environmental and Social Policy</p>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • The “common approach” to harmonize with other multi- and bilateral funding agencies is welcome. To make this approach more effective, a mapping exercise would be important to know the differences in the safeguard policies among donors. • In the proposed Framework, there is no definition of “subproject”. ADB has a clear definition of subproject in the Multitranche Financing Facility (MFF). The proposed Framework is applied only to high risk subprojects, which may provide loopholes or an opportunity for abuse. • In the proposed risk classification, the Bank should provide some quantification on each risk. Some agreed with this, while emphasizing, however, that risk assessment and risk classification should not be based only on quantitative data assessment, in particular on the social safeguards/standards side.
<p>4. Environmental and Social Standard 1 (ESS1): Assessment and Management of Environmental and Social Risks and Impacts</p>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • While the Framework allows for a flexible timeframe, the Bank should clarify how this will be operationalized. It needs to be clarified whether physical works can be implemented simultaneously and when to hire consultants, among other things. • A new national act in India requires third party impact assessment. When the project is disapproved in the third party assessment, it will be banned. The Bank should keep this in mind.
<p>5. Environmental and Social Standard 2 (ESS2): Labor and Working Conditions</p>
<p><i>Clarifications</i></p> <ul style="list-style-type: none"> • Clarification was sought on whether “forced labor” is becoming an issue in Bank-funded projects. <p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • The introduction of labor and OHS standards is appreciated. This is a critical issue in India.
<p>6. Environmental and Social Standard 3 (ESS3): Resource Efficiency and Pollution Prevention</p>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • Sound waste management and promotion of recycling procedures should be included. • E-waste is left out in ESS3.

<ul style="list-style-type: none"> • Inclusion of climate change in the Framework is welcome. Clarification was sought on whether the Framework will address not only GHG emission reduction, but also climate change resilience to respond to future impacts over the long-term. • The proposed Framework is focused on climate change mitigation, and very weak on adaptation. This should be revisited. • Clean production and sanitation should be incorporated into the Framework.
<p>7. Environmental and Social Standard 4 (ESS4): Community Health and Safety</p>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • The Bank should provide a clearer definition of the replacement value (cost) and the formula to calculate it. It is still missing in the Framework.
<p>8. Environmental and Social Standard 5 (ESS5): Land Acquisition, Restriction on Land Use and Involuntary Resettlement</p>
<p><i>Clarifications</i></p> <ul style="list-style-type: none"> • Clarification was sought on how to operationalize the requirement for “squatter landlords.” <p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • The introduction of strengthened screening for voluntary land donation is welcome. But the Framework is not detailed enough to address this complex issue. • In linear projects, such as small rural road projects, voluntary land donation is a key issue. In many cases, the acquired land is very small and the people may not have land title even though they have possessed the land for decades. The land market may not exist. The Bank should consider ways to address such cases, instead of applying the policy. • The aspect of land planning and management is missing in ESS5. This is a critical issue in industrial corridors and other key projects. • Regarding no title holders, there is a time gap between national law and the Bank and ADB. The Bank and ADB set a certain cut-off date for eligibility, while the national law set it for three years. This gap needs to be bridged. • It is suggested that the Framework require inclusion of a 1 to 2 percent Corporate Social Responsibility component in project costs in smaller linear projects.
<p>9. Environmental and Social Standard 6 (ESS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources</p>
<p>N/A</p>
<p>10. Environmental and Social Standard 7 (ESS7): Indigenous Peoples</p>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • The Bank needs a clearer definition of Indigenous Peoples. In India, there are many tribeless Indigenous Peoples who live in mainstream society. It is important to know how to treat these people. • Some participants wanted more specificity in definition, but others preferred to keep the term broader, in order to make it relevant to the largest country context possible.

- The Bank should be more specific on the social impact assessment for **cultural resources of Indigenous Peoples**. Currently, India is focused on material loss and not well equipped to assess cultural resource.
- The incorporation of **FPIC** is appreciated. Indigenous Peoples have their own community mechanism of decision-making.

11. Environmental and Social Standard 8 (ESS8): Cultural Heritage

Comments and recommendations

- Most borrowers have no expertise on **cultural heritage** to implement the requirements under ESS8, including the development of a chance find procedure. So if this is left to the responsibility of the borrower, it will not be implemented.

12. Environmental and Social Standard 9 (ESS9): Financial Intermediaries

Comments and recommendations

- The proposed Framework applies only to **high risk FI subprojects**. Under national law in India, there is no environmental impact assessment required for renewable energy projects. So, unless the FI subprojects are classified as high risk, there would be no safeguard requirement for those FI projects.

13. Environmental and Social Standard 10 (ESS10): Information Disclosure and Stakeholder Engagement

Comments and recommendations

- The Bank should establish a mechanism so that the Borrower's stakeholder engagement and information disclosure is **actively monitored over time**.