



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

**Date:** December 1, 2014

**Location:** Delhi, India

**Audience:** Ministries

**Overview and Key Issues Discussed:** Use of borrower's framework; non-discrimination and national law; FPIC; and gaps between national legislation and the Bank's requirement on land acquisition.

<b>Specific Feedback from Stakeholders</b>
<b>1. General Comments</b>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> <li>• The Indian government will submit to the Bank consolidated written comments received from all relevant ministries.</li> <li>• The safeguard policy review is welcome, but the <b>country system</b> should be respected in the Framework.</li> <li>• The safeguard policies should be subordinated to the <b>Bank's twin goals</b>. They should not become a hindrance to development. The Bank should not make the Framework too difficult to follow.</li> <li>• The <b>cost implication</b> for implementing the Framework should be clarified.</li> <li>• Further <b>flexibility and simplicity</b> should be introduced to achieve development objectives.</li> <li>• There is an <b>asymmetry in the Borrower's responsibilities</b>, in particular on climate change. The stage of development of the country should be considered.</li> </ul>
<b>2. A Vision for Sustainable Development</b>
N/A
<b>3. World Bank Environmental and Social Policy</b>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> <li>• It needs to be further clarified how the Bank will assess the Borrower's ES framework in determining the <b>use of the Borrower's framework</b>.</li> </ul>
<b>4. Environmental and Social Standard 1 (ESS1): Assessment and Management of Environmental and Social Risks and Impacts</b>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> <li>• The scope of the proposed <b>non-discrimination</b> principle is very wide. It needs to respect the country law.</li> <li>• The definition in the proposed Framework on this appears to be against <b>national laws</b> of some countries. The Bank should focus on implementation.</li> </ul>
<b>5. Environmental and Social Standard 2 (ESS2): Labor and Working Conditions</b>
N/A
<b>6. Environmental and Social Standard 3 (ESS3): Resource Efficiency and Pollution Prevention</b>

<p><i>Clarifications</i></p> <ul style="list-style-type: none"> <li>Clarification was sought on the origin of the proposed threshold of 25,000 tonnes of GHGs per year for <b>quantification</b>, the methodology to ensure this, and the consistency with the discussions in the UN negotiations.</li> </ul>
<p><b>7. Environmental and Social Standard 4 (ESS4): Community Health and Safety</b></p>
<p>N/A</p>
<p><b>8. Environmental and Social Standard 5 (ESS5): Land Acquisition, Restriction on Land Use and Involuntary Resettlement</b></p>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> <li><b>Land acquisition</b> is a difficult issue in India. We have free press and very active NGOs who intervene in land issues.</li> <li>There are <b>gaps</b> between the Bank's requirement and national legislation (The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act) in compensation and rehabilitation. This needs to be considered in the Framework.</li> <li>The Bank is financing only a very small portion of the country's development projects. But its requirements are much more <b>cumbersome</b> than those of government-funded projects. More flexibility should be provided.</li> </ul>
<p><b>9. Environmental and Social Standard 6 (ESS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources</b></p>
<p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> <li>Regarding the requirements on <b>supply chain</b> in ESS6, the Framework should not go beyond the project boundary. It should be simple and straightforward.</li> </ul>
<p><b>10. Environmental and Social Standard 7 (ESS7): Indigenous Peoples</b></p>
<p><i>Clarification</i></p> <ul style="list-style-type: none"> <li>Clarification was sought about the outcome of the Bank's Indigenous Peoples dialogue.</li> </ul> <p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> <li>The meaning of consent in "<b>FPIC</b>" should be clarified. It should be clarified who will give the consent (the leader or the community members) and how the existence of consent can be determined.</li> <li>On FPIC, the national law should be respected.</li> <li>Because of its diversity, it is very difficult in India to achieve <b>consensus</b>. The current Indian land acquisition act (The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act) requires the consent of 70 percent of the landowners for land acquisition. This should be taken into consideration.</li> <li>The idea of ESS7 seems to be based on Latin America, but the situation in India is different.</li> <li>Acquisition of Indigenous Peoples' land is a serious issue, which leads to permanent loss of continuous source of income for their present and future generations. Therefore, they should be compensated to be better off, when they are resettled at least to the extent, if not more, the non-indigenous peoples reap benefits out of the the land acquired from the Indigenous Peoples.</li> </ul>
<p><b>11. Environmental and Social Standard 8 (ESS8): Cultural Heritage</b></p>
<p>N/A</p>
<p><b>12. Environmental and Social Standard 9 (ESS9): Financial Intermediaries</b></p>

*Comments and recommendations*

- The Bank should learn from the experience in India Infrastructure Finance Company project (**IIFCL**). The Bank is only a small co-financer and cannot apply its safeguard policies to the entire portfolio.

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

N/A