



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

Date: February 2, 2015

Location (City, Country): Sydney, Australia, connected via videoconference with Timor Leste, PNG and Solomon Islands

Audience (Government, CSO, etc.): CSOs

Overview and Key Issues Discussed: Key issues discussed include: common approach and coordination with other donors and the government; FCS; capacity building of the borrower; monitoring; indigenous peoples; risk classification; and operational cost for safeguards.

Specific Feedback from Stakeholders
1. General Comments
<p><i>Clarifications</i></p> <ul style="list-style-type: none"> • Clarification was sought on how other MDBs view the proposed Framework, including emerging alternative financing sources with fewer environmental and social requirements. <p><i>Comments and recommendations</i></p> <ul style="list-style-type: none"> • Considering the weak capacity of the Pacific islands, the Bank should seek a standardized common safeguards framework among other donors. • Close coordination with other donors and the government is key when the application of Bank's safeguard policies will not bring about the optimum outcome. • The Framework should further elaborate on how the Bank will apply safeguards in fragile and conflict-affected situations (FCS) and small states like the Pacific. • While PNG has characteristics of FCS, the Bank system using CPIA does not recognize the country as such. This should be re-considered.

- The Framework should include **Bank’s commitment to enhancing the capacity of the borrowers** to enforce the safeguards. In particular, most of the Pacific islands lack the legislation as well as the capacity to enforce safeguards requirements.
- While the ES assessment is the Borrowers’ responsibility, it would not work without a strong government. In the past decades, PNG has not properly conducted environmental assessments. It is critical to introduce a **credible independent monitoring mechanism** to enforce the government’s compliance with the requirements, including the legal agreement and the ESCP.
- In PNG, non-adherence to regulations results from the lack of **incentive**, rather than the lack of capacity.
- Regarding the proposed risk-based, outcome-focused approach, the **selection of subprojects** has been a difficult task for project implementers. The Framework lacks clarity on striking a balance between high-risk but high-impact sub-projects and low-risk and low-impact sub-projects.
- In PNG, the **Department for Environment** is very marginal and not well-funded. The Department itself should be strengthened, but the Bank should also encourage the government to strengthen the Department.
- PNG has recently introduced District Development Authority. The introduction is highly politicized and its role and responsibility is unclear. The Bank should not only deal with the government at the policy level, but also address the capacity at the subnational and implementation levels, including **provincial and district authorities**.
- In Timor Leste, the government’s **overall understanding and awareness** of environmental and social issues are very low.
- In the Pacific, there is a **lack of ownership** to the project with no monitoring. The project beneficiaries are left uninformed of the project. This affects the outcome and sustainability of the project.
- In the Pacific, there is a tendency that the environmental assessment is not good because of insufficient budget. The Framework should make sure that **operational cost** is allocated for safeguards requirements.
- **The cost associated with capacity building** is often treated as something that goes beyond the budget. The Framework should address this.

2. A Vision for Sustainable Development

N/A

3. World Bank Environmental and Social Policy

Clarification

- Clarification was sought on the process of the **Bank’s remedies** in case of Borrower’s non-compliance with safeguards requirements.

4. Environmental and Social Standard 1 (ESS1): Assessment and Management of Environmental and Social Risks and Impacts

N/A

5. Environmental and Social Standard 2 (ESS2): Labor and Working Conditions
<i>Comments and recommendations</i>
<ul style="list-style-type: none"> Regarding non-discrimination, there are some Bank projects in FCS where the workers of the targeted areas are employed for the project objectives. The ES Framework should clarify that such targeted employment does not violate the non-discrimination principle.
6. Environmental and Social Standard 3 (ESS3): Resource Efficiency and Pollution Prevention
N/A
7. Environmental and Social Standard 4 (ESS4): Community Health and Safety
N/A
8. Environmental and Social Standard 5 (ESS5): Land Acquisition, Restriction on Land Use and Involuntary Resettlement
<i>Comments and recommendations</i>
<ul style="list-style-type: none"> While Timor Leste is lacking a land policy, the government is in the process of developing major infrastructure projects, including for onshore gas exploitation and agriculture. It is unclear how the Framework can be implemented where the borrower is lacking in legislation, capacity and political will. ESS5 should elaborate more on women's land rights. In some Pacific islands, land use rights are key issues, which should be addressed in ESS5.
9. Environmental and Social Standard 6 (ESS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources
N/A
10. Environmental and Social Standard 7 (ESS7): Indigenous Peoples
<i>Comments and recommendations</i>
<ul style="list-style-type: none"> In many Pacific islands, the definition of IPs in the current Bank Policy is difficult to apply, where most of the population is indigenous. The ESS7 should clarify how to address such circumstances. Resettlement of IPs without FPIC is a human rights abuse. This should be avoided and the “alternative approach” should be dropped.
11. Environmental and Social Standard 8 (ESS8): Cultural Heritage
N/A

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

N/A

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

Comments and recommendations

- While PNG has **no law regarding access to information**, the implementation of ESS10 will be a big challenge for the country. There is no single ministry that would have ownership to comply with ESS10.