



**Review and Update of the World Bank Safeguard Policies
Phase II
Feedback Summary**

Date: November 24, 2014

Location: Asuncion, Paraguay

Audience: Paraguay's government

Main comments received:

Specific feedback from stakeholders
1. General comments
<ul style="list-style-type: none"> • Efforts should be made in Paraguay to harmonize domestic laws in order to ensure that the proposed Framework can be implemented. Many administrative regulations prevent, for instance, transferring funds to beneficiaries for implementing a project or providing benefits to citizens who do not have identity cards. • Efforts should be made to encourage coordination among institutions that receive World Bank loans but that are also tasked with implementing other projects (not financed by the Bank) within the same sector. Oftentimes implementing units enforce both national law and World Bank policies, but another office within the same institution may be governed exclusively by national law. This situation oftentimes creates social conflict: some beneficiaries are governed by one rule and other beneficiaries are government by other rules. These differences are difficult for people to understand. This reflects an institutional weakness, but also are an opportunity for the Bank to help strengthen these institutions. • Capacity building and training on social and environmental management should be provided not only for implementing units or agencies directly involved in projects but also for higher level policy decision making organizations. Contractors and consultants should also be included in these initiatives. • More clarity should be provided about how the proposed Environmental and Social Framework (ESF) will apply in the case of public-private partnerships. • Linkages with other financial organizations should be ensured to make the best possible use of available resources.

<ul style="list-style-type: none"> • The Bank should respect deep rooted national views and values while determining the social and environmental standards and potential related indicators. Certain issues should not be included in the ESF. For instance, equal marriage and abortion rights face very strong opposition from Paraguayans.
2. A Vision for the Sustainable Development
N/A
3. Environmental and Social Standard (ESS1): Assessment and management of environmental and social risks and impacts
<ul style="list-style-type: none"> • When discussing inclusive development, the concepts of accessibility and removal of barriers should be explicitly mentioned. This is necessary to effectively ensure non-discriminations and is in line with the results orientation. • The ESF should include more specific considerations for persons with disabilities. The World Health Organization estimates they correspond to about 15% of the world’s population. • The ESF should not adopt the term “non-discrimination” because it defines the concept from a negative viewpoint (non-discrimination does not necessarily implies inclusion). Instead, the ESF should use the concepts of diversity and inclusion.
4. Environmental and Social Standard 2 (ESS2): Labor and working conditions
<ul style="list-style-type: none"> • The translation of the term “forced labor” in the ESF should be corrected to use the term “trabajo forzoso” in Spanish instead of “trabajo forzado.” This is the term used by the International Labor Organization.
5. Environmental and Social Standard 3 (ESS 3): Resource Efficiency and pollution prevention
<ul style="list-style-type: none"> • The requirement to monitor GHG emissions for projects likely to produce more than 25,000 tons of CO2 per year should be adapted to country conditions. For instance, Paraguay is not a major greenhouse gas emitter. • More clarity should be provided about how to address environmental and social liabilities relating to prior infrastructure projects that were carried out following old regulations without regards for environmental and social issues.
6. Environmental and Social Standard 4 (ESS 4): Community Health and Safety
N/A
7. Environmental and Social Standard 5 (ESS 5): Land acquisition, restriction on land use and involuntary resettlement
N/A
8. Environmental and Social Standard 6 (ESS 6): Biodiversity conservation and sustainable management of living natural resources
<ul style="list-style-type: none"> • The proposed ESF should explicitly include the concept of environmental services, in particular water services.

9. *Environmental and Social Standard 7 (ESS 7): Indigenous peoples*

- Paraguay has made progress, hand in hand with indigenous peoples' organizations, in developing a **law on free, prior and informed consent. These efforts are available to the Bank.**
- **Indigenous peoples should not be identified as a vulnerable group.** They claim they were "made vulnerable" but they are not vulnerable.
- The ESF should adopt a focus on the **collective rights of indigenous peoples to their territories and knowledge.**
- **Indigenous people should be involved in the project preparation and cultural diversity should be underscored.** Indigenous people should not be considered as different because this contradicts the principle of "non-discrimination." **The development model that the World Bank is seeking should be detailed, since the objective for indigenous peoples is to have their own development model.** An explanation between the relationship between the Bank's development model and the Indigenous Peoples one should be given. Paraguay currently faces a similar issue. The approach, focus, the way we see Indigenous People should be analyzed. They should not be regarded as a problem, but as an opportunity. The proposed ESF should make it clear that indigenous peoples should actively be engaged in the project preparation and implementation.
- Precautions should be taken to eliminate biased or inadequate (material) influence relating to the potential politicization of certain indigenous governments schemes. The World Bank should ensure that the transition from prior consultation to prior free and informed consent does not imply inappropriate "negotiations" during project preparation.
- **The procedures related to consultations and free, prior and informed consent should be more clearly described in the ESF,** including the methods and required documentation. The ESF includes the standards but not the procedures or detailed methods of how to enforce them. Moreover, **the ESF does not mention whether funding would be available to undertake the required consultations.**

10. *Environmental and Social Standard 8 (ESS 8): Cultural Heritage*

- **The ESF should explicitly recognize both material and immaterial cultural heritage,** such as **indigenous peoples' knowledge.**
- **The term "cultural heritage" should not be used** given that culture is not limited to heritage. Heritage is one component but does not encompass all the elements of culture. By **definition, the term "heritage" would exclude innovation and present knowledge.** This approach should be clarified.
- **Culture** is understood as more than "Heritage Resources" and **includes cultural life and citizenry, as well as creative processes and spaces.** Cultural rights and the way they are ensured are usually mainstreamed into the State through cultural management mechanisms. The Guarani concept of "**teko**" is based on "the way of being" and "customs" through the transmission of knowledge, values and practices.
- **Cultural rights** should be guaranteed in order to open opportunities and strengthen capacities for development. Culture in all its dimensions should be understood as a fundamental component of sustainable development.

- **Cultural diversity and intercultural dialogue** are the basis for building social capital, as is the participation of other sectors related to creativity, thinking and innovation, which contribute to the sustainable development of national economies. Diversity consists in assuming others' *teko*.
- **Respect for diversity** is given continuity by and materializes in social inclusion policies with affirmative measures. In that sense, cultural differences are no longer regarded as obstacles but must be rather taken as opportunities. Building a system of thinking based on diversity is one of the State's main roles, and particularly the governing agencies. The objective is not only to accept the other as different but also being able to build categories underpinning the concept of diversity. Inclusion also implies recovering spaces where diversity can thrive.
- **The diversity approach should cut across the heritage policies; as a result it is more appropriate to talk about "heritages" than just "heritage."** Each society identifies with cultural goods through different models and memories in which they are included. Places and "heritages" are not always national. They may have different meanings for each sector and aim at building plural future projects.

11. Environmental and Social Standard 9 (ESS 9): Financial intermediaries

N/A

12. Environmental and Social Standard 10 (ESS 10): Information disclosure and stakeholder participation

- **Carrying out the required consultations under ESS10 would be difficult,** since the national regulations do not allow the allocation of funds for the transportation and per diems of non-government officials. **Specific funds for this purpose should be made available** for project preparation.