



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

**Date:** December 5, 2014

**Location (City, Country):** Vienna, Austria

**Audience (Government, CSO, etc.):** Multi-stakeholder

**Overview and Key Issues Discussed:**

Specific Feedback from Stakeholders
<b>1. General Comments</b>
<ul style="list-style-type: none"> <li>• Overall endeavor to review Safeguards welcomed, much has been achieved with new Framework</li> <li>• Safeguards should be strengthened, not weakened; WB a standard-setter</li> <li>• ESS should be consistent with existing standards at other MDBs/organizations</li> <li>• Exceptions included in the Framework are problematic; seem to provide loop-holes</li> <li>• Important to involve all stakeholders in Review, including parliamentarians</li> <li>• Strengthen references to gender; why not include separate standard on gender?</li> <li>• Further details/guidance/examples needed, so ESS are also clear to non-specialist in a given field</li> <li>• Need to clarify to Borrowers how the process has been simplified under new Framework, was one of their motivations for the Review</li> </ul>
<b>2. A Vision for Sustainable Development</b>
<ul style="list-style-type: none"> <li>• Welcome the vision and principles of the Framework; wide and comprehensive range of thematic issues</li> <li>• Welcome references to and consideration of disabled and vulnerable groups in new Framework and that it is one of the emerging areas</li> <li>• ESS should be measured against international human rights standards/UN guiding principles</li> <li>• Reference to human rights is welcome, but they are not consistently reflected in all Bank policies; the Bank policies should clearly refer to the core international human rights instruments and not only encourage but require their respect; the latter should be ensured by a human rights due diligence process (including impact assessments, monitoring and evaluation) of the Bank's own conduct and the conduct of its borrowers, non-compliance must entail consequences; overall the Bank should strive toward advising and supporting governments on how to ensure human rights compliance in WB projects</li> <li>• Include language on promoting positive outcomes</li> </ul>
<b>3. World Bank Environmental and Social Policy</b>

- Need clarity on how ESS will be implemented and what the role of the Borrower will be; Borrower capacity may be an issue (as per IEG 2010 report); need to insist/ensure compliance by Borrower
- ESS should apply to all WB lending instruments, also in interest of harmonization
- Clarify how and when outcomes will be measured
- Clarify relation of risk categorization to different standards
- Point 20: Include exclusions in risk-classifications (e.g., fossil fuel investments, deforestation projects)
- Ensure sufficient capacity and skills for implementation of new ESS, including for accountability
- Point 30: For high risk projects, the Bank should not only rely on available information but actively research risk-related information

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

- ESS1, Point 15: Clarify role of the Bank in “assessing” risks
- Point 15: In high risk projects, the Bank should actively cooperate with the borrower to do the assessment and monitoring. This also applies correspondingly to Points 21, 24, 29, 31, 34, 38, 40, 42 and 53
- Point 33: The risks for ecosystem services should be included.
- Human rights impact assessments should be required; alternatively, recommend fully aligning social impact assessments with the requirements of international human rights standards; assessments need to be independent, impartial, and professional
- Ensure human rights compliance by the Bank and improve its risk management by not only relying on the information provided by borrowers but equally requiring and taking into account independent third party information (experts, NGOs, etc.) and project-affected people’s views
- Environmental and Social Policy (ESP) standards should have to be met before the inception of the project
- Ensure and monitor adequate participation (consultation or consent)
- Enhance field visits and strengthen monitoring by independent experts throughout the life cycle of the project
- Provide independent project level grievance mechanisms for project-affected people (e.g., in line with the requirements of the UN Guiding Principles on Business and Human Rights)

#### **5. Environmental and Social Standard 2 (ESS2): Labor and Working Conditions**

- Would like to see strong link to UN Conventions on Disability
- Harmonize labor standards with those of other MDBs
- Clarify what non-discrimination will look like in practice; Bank should ensure vulnerable and disabled are included in workforce by Borrower and that WB-supported infrastructure (schools, hospitals, etc.) are inclusive and provide facilities for disabled (strengthen language in Point 9)
- ILO standards should be covered in full (e.g., right to unionize, collective bargaining) + reach extended to include public servants, migrant and (sub-)contract workers
- Have concerns about the implementation and enforcement of labor standards, especially if they are not in line with national laws
- Will WB include a mandatory accessibility and inclusion plan for disabled?

#### **6. Environmental and Social Standard 3 (ESS3): Resource Efficiency and Pollution Prevention**

- Should provide more details on how climate issues will be considered in ESS; should overall be reflected more strongly
- Clearer definitions needed for: Point 1: “in line with internationally disseminated technologies and practices” (what does this mean?); Point 6 and 7: “technically and financially feasible” (why not referenced throughout consistently?); Point 6: “internationally recognized methodologies and good practice” (which ones?)

- Footnote 6 (p. 41): Take out reference to “carbon sequestration and storage”, not a realistic option
- Point 1: Instead of “internationally disseminated technologies and practices” please use “best available technologies and practices” (also for GIIP in Footnote 3).
- The “Objectives” are too weak. The latest findings of IPCC AR5 (very limited carbon budgets), the Bank’s own reports (Turn Down the Heat), the emission gap report of UNEP, and many others make clear that 80% of all fossil fuel reserves should stay underground and not be used. The Bank standards should send clear signals to achieve this and propose effective financial conditions and frameworks for it
- Point 4: Where no generally accepted benchmark framework is available, the Bank should provide benchmark data
- Point 6: Recommend taking out “where technically and financially feasible”

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**8. *Environmental and Social Standard 5 (ESS5): Land Acquisition, Restriction on Land Use and Involuntary Resettlement***

- The World Bank has committed to incorporating the FAO Tenure Guidelines into its Safeguards, but the draft narrows down previous policies and weakens land rights
- ESS should also apply to people that do not have legal/official land tenure titles
- When requirements for resettlements are only considered during implementation, may be weakened + CSOs less involved in the process
- Impacts on downstream areas of rivers also need to be considered
- Point 5 on “voluntary, legally recorded market transactions”: important to consider that some people are coerced to sell land
- ESS5 should ensure full compliance with international human rights law (also prohibit forced evictions, require adequate information and access to effective remedies of project-affected persons including project specific grievance mechanisms, ensure compensation, and link resettlement to tailored development measures)

**9. *Environmental and Social Standard 6 (ESS6): Biodiversity Conservation and Sustainable Management of Living Natural Resources***

- Highly welcome standard on biodiversity
- Suggest not to start ESS with offsets, but to move them further down
- Need further clarity and details on offsets
- Point 17 a: More clearly define “no other viable alternatives”
- Reference to animal welfare in standard welcome, but should include clearer language, also on animals in agriculture
- Point 27: Paragraph needs further references to animal welfare issues (N.B. suggested language changes have been submitted in writing)
- Under Objectives, suggest to add a sentence along the lines of “To protect critical ecosystem services as outlined in the Convention on Biodiversity and the Millennium Ecosystem Assessment”
- Point 9: Suggest to change the last sentence to: “Where adverse impacts on biodiversity or ecosystem services are looming, the Borrower, with assistance of the Bank, will develop and implement a Biodiversity and Ecosystem Service Action Plan”
- Point 15: As Biodiversity Offsets are a very critical topic, clear guidelines should be developed in cooperation with conservation organizations to avoid adverse effects
- Point 17: The evaluation of “viable alternatives” is a very critical topic; clear guidelines should be developed in cooperation with conservation organizations to avoid adverse effects
- Point 19: The assessments should be reviewed externally

- Point 25: “Sustainable management of living natural resources” is a very critical topic, hence clear definitions and guidelines should be developed in cooperation with conservation organizations to avoid adverse effects
- Point 30/31: Recommend that the Bank provide minimum environment and social standards that always have to be abided by
- Point 32: Recommend taking out the last sentence and replacing it with: “If the borrower is not able to effectively address these risks he has to stop purchasing from this source”

**10. Environmental and Social Standard 7 (ESS7): Indigenous Peoples**

- Clarify which standard(s) apply in cases of an ‘Alternative Approach’
- Be conscious of government policies that marginalize certain ethnic groups or do not provide them with equal access
- Ensure compliance with human rights of indigenous peoples as set out in the UN Declaration (specify process to obtain FPIC and independently monitor compliance with this process)
- “Opt-out” clause risks undermining and violating the human rights of indigenous peoples. Recommend modifying this provision by providing guidance on how to address conflicts about recognizing a group as indigenous people; ensure human rights compliance

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

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

- Delegated responsibility to Financial Intermediaries (FIs) and exceptions in the Framework are especially problematic, since there is a high reliance on national laws which might not provide equivalent protection; monitoring by the Bank is more difficult
- As there is a growing tendency to move toward multiple financiers, ensure clarity on who is responsible and accountable for what
- Point 14 a: clarify what “FI Environmental and Social Exclusion List” refers to; provide link in Footnote 4
- Point 14 a): All projects should be screened against the exclusion list
- Point 14 b): clear guidelines from the Bank are necessary outlining for which dimension of projects what kind of risk assessment and response

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

- Inclusion and full participation of vulnerable groups such as persons with disabilities is crucial in order to achieve the aim of non-discrimination
- Strengthen and clarify language on the list of multi-stakeholder groups
- Point 5: Consider including reference to “non-human” communities
- Point 12: Oblige Borrower to ensure full participation of vulnerable groups such as persons with disabilities
- Point 19: Further clarification on meaningful participation is needed