



Review and Update of the World Bank's Environmental and Social Safeguard Policies

Phase 2

Feedback Summary

Date: January 8, 2015

Location (City, Country): Ottawa, Canada

Audience (Government, CSO, etc.): Private Sector

Overview and Key Issues Discussed:

On January 8, 2015, the Canadian Export Credit Agency (EDC) hosted a consultation meeting for the World Bank with representatives of the private sector. Qays Hamad, Senior Operations Officer and Nina Chee, Senior Environmental Specialist, presented the proposed Environmental and Social Framework (ESF) to stakeholders. The discussion focused on human rights, Indigenous Peoples, and Borrower capacity for impact assessment. For purposes of conciseness, the following summary highlights comments and recommendations that were provided by individual representatives; collective comments and recommendations are noted as such.

Specific Feedback from Stakeholders

1. General Comments

- A participant pointed out that there is a gap between the proposed ESF and the International Finance Corporation's (IFC) Performance Standards. It should be clarified where the World Bank is going beyond the Performance Standards and where the World Bank is catching up with IFC.
- An overlap between the safeguard policies and the World Bank's ongoing review of its procurement policy was identified. A stakeholder pointed out that the procurement plan should show the budget associated with safeguards, which would ensure that Borrowers have to dedicate a certain amount of money to implementing safeguards. The procurement and safeguards reviews should be better integrated.
- The proposed ESF should aim for the best international practice, not only good practice.
- Clarifications were proposed on whether projects with small impacts should be exempted from the safeguards.

2. A Vision for Sustainable Development

- The Voluntary Principles on Security and Human Rights and the United Nations’ Guiding Principles on Business and Human Rights should guide the ESF on the treatment of human rights. The World Bank should use its leverage to promote adherence to these principles.
- Human rights could be enforced by the World Bank by withholding money for a project that would violate them.

3. World Bank Environmental and Social Policy

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

- A stakeholder asked for clarifications on the difference between the proposed Commitment Plan and IFC’s Action Plan that is regulated by the Performance Standards.
- The proposed increased reliance on Borrower systems could increase the likelihood of mistakes and failures, mainly due to lack of capacity on the side of the Borrowers. This is why the proposed ESF would need to be more explicit with regard to requirements for monitoring and consequences of violations. The type, frequency of monitoring, and monitoring specialists should be specified clearly. For example, it should be clear whether the World Bank would step in if the Borrower’s impact assessment system is considered inadequate and how the Bank would ensure that assessment will be completed in a way that achieves the outcomes intended by the World Bank.
- In some cases, the private sector creates a regulatory framework when the government does not do so. However, the government is not bound by the private sector’s framework. In those cases the World Bank needs to step in and guarantee good governance.
- Clarifications were also considered necessary with regard to coordinating several donors involved in one project.

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

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

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7. Environmental and Social Standard 4 (ESS4): Community Health and Safety

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

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

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

- A suggestion was made that Indigenous Peoples leadership should be considered governments—such as provision would go beyond the

IFC's Performance Standards.

- While the expansion of the Indigenous Peoples policy was welcomed, it was pointed out that nomadic tribes are not covered.
- There should be situations in which the World Bank can define a group as indigenous to ensure that the government provides special protections.
- The lack of harmonization between Indigenous Peoples provisions for the private sector and for governments pose problems for companies. The World Bank should exercise leverage to harmonize government and private sector approaches.

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

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

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

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