



## The World Bank

# Review and Update of Environmental and Social Safeguard Policies Consultation Meeting with Representatives of Civil Society and Indigenous Peoples in Lima (Peru)

**14 February 2013**

The first consultation with civil society representatives in the Latin American and Caribbean region was held on 14 February 2013 at the Sonesta El Olivar hotel in Lima, Peru. The consultation was opened by Glenn Morgan, Regional Safeguards Adviser in Latin American and the Caribbean. Annex 1 contains the list of participants.

### Summary of comments received during the consultation meeting

- It is important to clarify the scope of this review, particularly in relation to the safeguards of the different organizations of the World Bank Group, such as the Multilateral Investment Guarantee Agency (MIGA) and the International Finance Corporation (IFC).
- The review of safeguard policies should be based on a cost-benefit analysis of the update.
- The identification of disability as an emerging issue in this review is welcome, because it covers issues that are extremely important for development sustainability, such as mental health.
- There is an initial contradiction in the idea of developing an integrated framework while ensuring that the content of current policies is not diluted. There is a worry that the current Indigenous Peoples policy may become diluted, and steps are need to ensure that this does not happen.
- The importance of consulting with Indigenous Peoples organizations, rather than just with civil society and expert groups, needs to be stressed. It is important that the consultation is adequate and not confined to a working breakfast.
- The statement made in the approach document that "emerging issues will be considered" is very vague. What is the Bank proposing? On these issues, it is important to take existing international regulations into account (e.g., the conventions of the International Labour Organization and human rights treaties and declarations), and adapt to them. It was suggested to include the topic of labor and working conditions, which is covered by the IFC Performance Standards.
- As the Bank is a United Nations agency it has to fulfill the commitments that have been agreed under the various United Nations instruments.
- The scope of the review is narrow (e.g., financing for investments). The review process should cover all Bank instruments such as Development Policy Loans (DPLs), Program for Results

(PforR), etc. It is important to stress that the Bank's portfolio has changed and that although the Bank has become less important in the region in terms of financial disbursements, it remains hugely important in terms of technical assistance. This should be considered in this reform, because the impact could be the same or worse than the impact of a specific project.

- There is skepticism about the justification for the reform, because there is a major concern that what has been achieved up to now in terms of social and environmental protection could be diluted.
- The Bank's Independent Evaluation Group published a report analyzing progress made in applying the safeguards (*Independent Evaluation Group 2010, Safeguards and Sustainability Policies in a Changing World*). This study should be translated into Spanish because it serves as the basis of this discussion. To have an informal discussion with civil society, that document needs to be available in the language of the consultation.
- The possibility of shifting responsibility for fulfilling safeguards on to governments is something that concerns civil society, which considers that the current system, in which the Bank is also responsible for monitoring and supervising compliance, is better. The concern that the Bank's supervisory function will be weakened stems from the reform of the IFC, particularly in view of the recent report by the IFC ombudsperson (CAO, *Audit of a Sample of IFC Investments in Third-Party Financial Intermediaries*). It is important to learn from these lessons.
- It is important to take account of the notion of living well. International declarations and conventions need to be applied, and living well needs to be treated as a right and be made operational.
- To implement safeguard policies more effectively, new tools need to be considered, such as green industry, green economy, life-cycle analysis, ecological footprint, carbon footprint, etc.
- The approach document does not cover local strengthening and decentralization issues. Nor does it discuss the reality of border zones that fall outside the scope of central government actions. It does not explain how the topic of technology will be included (e.g. patents, research). How these topics will be dealt with in the policy update needs to be made clear.
- Disability is not an emerging topic but a social issue that has always existed and will always exist.
- Civil society is presenting a letter that raises concerns about the form of consultation, because the short duration of these events does not allow for serious discussion of the topic.
- There is also concern about the decision to prioritize national standards on environmental and social issues, since these could be less stringent than the Bank's current safeguard policies. For example, Peru's national resettlement policy focuses only on protecting owners, whereas the Bank's policy goes beyond this.
- The resettlement of Indigenous Peoples should be prohibited.
- It needs to be stressed that five of the seven emerging issues directly concern indigenous communities. This process should not only respect the right to consultation but also the right to decide. Indigenous communities are asking the Bank to include the topic of "free, prior and informed consent of Indigenous Peoples" in its policies. It is not sufficient to hold a "hasty consultation". There is opposition to the fact that the Indigenous Peoples policy is diluted in this update. It is not sufficient to hold meetings with civil society, experts, and the affected communities. The indigenous communities need to be consulted, because they are the rights

holders. Account needs to be taken of the rulings handed down by the Inter-American Court of Human Rights (e.g., the Saramaka case). It is not only the environmental and social impact that needs to be analyzed, but also the impact on human rights, through specific studies.

- There is doubt as to whether the Bank really has sufficient capacity to evaluate its own safeguard policies.
- There are questions about how the topic of human rights will be included in an operational way. It would be better to speak of human development. There is also concern at the absence of a specific topic dealing with the rights of children.
- In relation to emerging topics, it is important to stress that there are international conventions and national laws covering labor issues, but what is lacking is compliance with the legislation. This is particularly important in construction projects.
- The public consultation should be a permanent process, and the consultation mechanism should not be restricted to the period of policy updates. A permanent mechanism is needed to allow for continuous dialogue on policy implementation. Good practices need to be taken into account in participatory processes.
- An independent expert group needs to be convened, including not only economists but also representatives from other disciplines, to advise on the process of this review and policy update.
- The emerging issues should include the topic of water use and management as part of the discussion on natural resources.
- The emerging issues involve a wide variety of concepts. It would be important to distinguish between principles and values, risk concepts, and operational principles, for example.
- The accountability system needs to be strengthened to allow for a systematic analysis of whether the safeguards are being complied with.
- Specific efforts should be made to replace the word "inclusion" with "reintegration", particularly in relation to disabled people. The term "inclusion" is patronizing.
- The Bank's web page on the safeguard update and review process is not designed to be accessible to disabled people. This needs to be remedied if the aim is to launch a serious dialogue on the subject, particularly relating to the inclusion of disability as an emerging issue of this review.
- It is recommended that loans finance a contingency fund to be used in the event of noncompliance with social and environmental safeguards. The Bank is also asked to be more diligent in reporting cases of noncompliance with social and environmental safeguards. Lastly, it is recommended that the Bank create spaces in this consultation process for a more in-depth discussion of more technical issues and operational mechanisms.
- How will the emerging issues be included? Is it planned to create new safeguards policies, e.g., for occupational health and safety?
- How will social coverage be articulated —many of the terms used are ambiguous (i.e. inclusion, vulnerability, etc.)?
- It needs to be recognized that Indigenous Peoples are holders of rights (individual, collective and ancestral); for that reason, and given their unique structure, they need to be given a differential

status in the consultation process. The Bank should hold specific public consultations for indigenous communities only.

- As the safeguard policies are designed to operate in the context of a specific project, they cannot influence more strategic and larger-scale topics and investments. The safeguards need to be analyzed across the project portfolio. Safeguards need to be viewed as an integrated system, and it needs to be recognized that there are problems of continuity in applying social and environmental management mechanisms. It is essential to consider the topic of safeguards in a way that goes beyond a project-by-project approach, and to analyze safeguard management systemically. That would make it possible to capitalize on potential synergies between sectors and projects.
- The Bank needs to remember that it has the ability and responsibility to provide leadership in social and environmental management.
- Current safeguard policies are uneven and uncoordinated. They need to be organized. For example, the forests and natural habitats policies need to be expanded to cover important issues such as wetlands and river basins, as well as biodiversity, ecosystem services, natural resource management, climate change, and environmental offsets.
- The Bank should engage with other multilateral development organizations with a view to standardizing their environmental and social policies.
- Transparency and consultation mechanisms need to be strengthened.

The 2006 Convention on the Rights of Persons with Disabilities takes a new social and rights approach. Disability only exists as a social condition through the relation between the disability from which a person suffers and the social environment. It is a topic that has not been mainstreamed, because there is no strong institutional capacity that understands the subject.

- The update of environmental and social policies needs to take account of the current international financial crisis, which is having an enormous effect on those policies through its intrinsic links to environmental costs.
- The precarious nature of current institutions and the need to strengthen local capacities are constantly recurring issues. Accordingly, the Bank should set up a monitoring team to oversee the use and governance of loans.
- The role of the Bank in the supervision phase, ranging from large investment loans to small grants, should be strengthened. It would help to review the role played by the Bank in past projects that have proven conflictive and have generated a negative social and/or environmental impact. Lessons need to be learnt from the experience of the IFC in Yanachocha and the Bank in the National Agricultural Innovation Project (NAIP). Projects need to be analyzed in terms of national strategy.
- Indigenous communities are rights holders and not just stakeholders or beneficiaries. It is requested that consent be recognized in three cases: megaprojects, toxic substances, and when the conditions of life of Indigenous Peoples are affected.
- The fact that the Bank is considering holding separate consultations with Indigenous Peoples is seen as positive and necessary.
- The labor issue needs to be taken into account as a specific emerging topic that ranges from the right to employment, through labor safety and employment contracts, to the freedom of labor

unions. Institutional capacity on labor rights tends to be very limited, at least in Peru. Moreover, there is concern that the labor issue only includes topics of workplace health and safety, whereas other topics relating to labor rights (wages, working conditions) should also be included. There are international conventions covering many other labor issues, and they should be taken into account. This is a problematic issue, particularly in construction projects. How this update could improve workers' conditions needs to be considered.

- Has the safeguard reform taken account of issues arising from civil society in Latin America, relating to climate change and other environmental and social issues such as REDD+? It should do so.
- This review needs to discuss the topic of extractive industries, making clear that this is not the path to development. The way mining has developed in Peru has caused enormous poverty. The United Nations has conducted a study on the social and environmental impact of extractive industries, and the Bank should take this into consideration.
- Emphasis should be placed on strategic environmental assessment and evaluation of cumulative impacts. This could include the identification and evaluation of impacts on human rights.
- The consultations should provide documents in Braille format and sign language, to meet the needs of participants with visual and hearing impairments.
- It is important to restore the human face of the World Bank. The Bank is a stigmatized institution and should therefore make efforts to improve its image. Among other things, it needs to increase the number of sociologists, environmentalists, anthropologists, etc. in its professional team.
- This policy update process should consider aspects of sustainability and ethics in an integrated way. Topics such as corruption and mental health also need to be addressed. The latter would need to be recognized as part of human patrimony. The Bank should finance pilot programs to improve healthy living and promote mental health.
- A monitoring system should be set up to identify how many contracts have been terminated owing to noncompliance with safeguards, and to broaden the range of sanctions that exist in the event of noncompliance.
- It is important to stress that indigenous issues should not be seen as crosscutting, and that a separate safeguard policy should be maintained for this population group. Consultation, as currently established, should be maintained; but consent should also be added for cases in which there are impacts on land and natural resources, or critical habitats.
- The Bank's support is also important in cases of South-South exchange.
- Independent evaluation mechanisms need to be created on the traditional landholding process. Independent justice administration mechanisms need to be promoted at the national level to deal with conflicts relating to the landholding process and give the population legal defense mechanisms.



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## List of Participants

**Date:** 14 February 2013

**Number of participants:** 75

No.	Name of participant	Organization
1	Roberto Espinoza Llanos	AIDSEP - Peruvian Jungle Interethnic Development Association
2	Elena Chávez	ALAMO - Civil Association for Psychiatry Patients
3	Walter Vargas	APRODEH - Pro-Human Rights Association
4	Beatriz Quispe Carranza	ATECNODIS - Technology and Disability Association
5	Benito Calixto Guzmán	CAOI - Andean Indigenous Organizations Coordination Mechanism
6	Paola Luisa Aliaga Huatuco	CATP
7	Cecilia Alva	The Right to a Good Start
8	Enma Zevallos	CEDEP - Development and Participation Study Center
9	Victor Normberto	CEDDRE
10	César Guzmán-Barrón Sobrevilla	PUCP - Dispute Analysis and Settlement Center
11	Nadesca Pachao	CHIRAPAQ - Indigenous Culture Center of Peru
12	Milagros Sandoval	CI - Peru /International Conservation
13	Gustavo Suárez Freitas Calmet	CIAM - Amazon Inter-regional Council

14	Miguel Palacin Quispe	CONACAMI PERU - National Confederation of Peruvian Communities Affected by Mining
15	Lic. Víctor Hugo Ismodes Ramírez	CONFENADIP - National Confederation of Disabled Peoples of Peru
16	Elizabeth Campos Sánchez	CODIP - Blind Women's Commission of Peru
17	José Limonchi - Directivo	CEPALIMA - Association of Professional Anthropologists of Lima
18	José Luis Altamisa	CONFIEP - Confederation of Andean Nations of Peru
19	César Vigo Vargas - Vice Presidente	COPERA Infancia
20	Ricardo Chuquin	COORDINADORA RURAL
21	César Gamboa	DAR - Law, Environment and Natural Resources
22	Aquilino Mejía Marcacuzco	DESCO - Development Studies and Promotion Center
23	Iraida Zavala Rojas	Domus Environmental Consultancy SAC
24	Enrique Millones	ECSA INGENIEROS
25	Julia Urrunaga	Environmental Investigation Agency - EIA
26	Dhayneé Orbegozo	Environmental Investigation Agency - EIA
27	Michael Azcueta G.	School of Municipal Management
28	Renato Rios	DRIS
29	César Pindado	ERM - Environmental Resources Management
30	Pamela Domínguez	ERM - Environmental Resources Management
31	Zoraida Sánchez M.	Avina Foundation

32	GIZ -German Development Cooperation	Folke Kayser
33	GIZ -German Development Cooperation	Vanessa Esslinger
34	Golder Associates Peru S.A.	María Isabel Murillo
35	GRADE - Development Analysis Group	Manuel Galve Testino
36	Mining and Sustainable Development Dialogue Group	Ana María Vidal Cobián
37	Grupo GEA	Marcos Alegre Chang
38	HELVETAS Swiss Intercooperation	Claudia Zuleta
39	HUAYUNA Institute	Luis G. García Gutiérrez
40	KFW -Office in Peru	Mónica Ribadeneyra Sarmiento
41	ILO - International Labour Organization	María Arteta
42	On Common Ground Consultants	Lorena Prieto Coz
43	Oxfam América	Santiago Alfaro
44	Journalist	David Hill
45	PROFONANPE	Alberto Paniagua Villagra
46	PROFONANPE	Joaquín Ortiz de Zevallos
47	PUCP -Catholic University of Peru	Carlos Eduardo Aramburú López de Romaña
48	Specialist consultant on the environment	Javier Arce Baca
49	Rainforest Alliance - REDD	Carolina de la Rosa
50	SEDAPAL	Ana Mendoza Guevara
51	SEDAPAL - Romesal project	Carmela Gavonel Perales
52	SERVINDI - News agency	Jorge Luis Agurto Aguilar
53	SNMPE - National Mining, Oil and Energy Company	Carlos Aranda
54	SPDA - Peruvian Environmental Law Society	Isabel Calle Valladares

55	Socios Perú - Civic Collaboration Center	Carlos Salazar
56	The Nature Conservancy	Alfredo Salinas Castro
57	TRAFFIC Internacional	Teddi Peñaherrera
58	UKHAMAWA - Indigenous news bulletin	María Alicia Baca Macazana
59	WWF Peru	Liliana Lozano
60	WWF Peru	Carlos Soria
61	CIMA-Cordillera Azul	Jorge Luis Martínez
62	RAAA	Luis Gomero
63	ECODESS	Jesús Castro
64	ECODESS	Victor Raffo
65	National Water Authority (ANA)	Victor R.Osorio C.
66	NIBAKEBO	Yuri Ulises de Amat
67	FECONDU, Amazon School of Human Rights	Robert Guimares
68	ARPI-SC	Lidia Rengifo L.
69	ONAMIAP	Ketty Marcelo Lopez
70	ONAMIAP	María Fernandez Poquis
71	Private individual	Humberto Aoun Jenar
72	Private individual	Esperanza Solano Tovar
73	MTC	Isabel Olivera Castañeda
74	TRAFFIC	Rebeca Dumet Montoya
75	AIDSESEP - Peruvian Jungle Interethnic Development Association	Israil Aquise Lizarbe