



Review and Update of World Bank Safeguard Policies

Consultation Multi-Stakeholder Meeting, 26 March 2013

Summary

Date: 26 March 2013

Location: Istanbul, TURKEY

Total Number of Participants: 31

The World Bank held a consultation meeting on the Review and Update of its Safeguard Policies on 26 March 2013 in Istanbul, with the participation of representatives mainly from the private sector and NGOs, as well as from the public sector. The Bank team presented the safeguard policies and explained why the review process was being undertaken. The consultation process was informed by the following questions: “What improvements should the Bank make in Safeguard Policies so that they become more effective? How could the Bank better support the country laws, systems and institutions? How could the Bank and its counterpart institutions cooperate to improve environmental and social development in the country?” Participants were advised that they did not need to name their organizations, so that they could feel free to express their opinions. Comments are below.

What are the problems and challenges encountered in the implementation of safeguard policies?

- While Bank safeguard policies require transparency, some country laws and regulations require confidentiality. This makes it impossible to monitor the implementation of the policies and seems to be in contradiction to the Bank’s transparency principles. Measures should be taken to avoid such problems in countries where the World Bank works.
- Turkey has begun a process in which a safeguard system that favors investors has been proposed. This system lags far behind the safeguard principles adopted 30 years ago. Such a trend would eliminate the progress to date in the field of safeguards and would in fact foster a strategy for circumventing safeguard requirements. The Bank should clearly and precisely specify how the new generation of safeguard policies will be developed and implemented, together with the new areas such as gender equality and climate change.
- It would be useful to include a monitoring function in Bank instruments like the Third Environmental Sustainability and Energy Sector Development Policy Loan and apply Safeguard Policies to these instruments as well.
- When the Bank’s safeguard policies differ from the relevant country legislation, the process takes a very long time due to the documents to be prepared and the meetings/consultations

to be held. It could be useful to review the legislation and look into possible alternatives for harmonization.

- The Bank should prepare abstracts or supplementary documents for safeguard policies so that people who are not specialists can easily understand them.

Aspects of the environmental and social safeguards policies that the Bank can improve, to ensure that these policies continue to be an effective and efficient tool to achieve sustainable development and results on the ground.

- It may be useful to create funds to ensure that projects to be carried out with World bank loans are better understood by the public.
- Instead of using official web sites, it may be useful to ensure that representatives contact people via social media and receive the comments of various organizations by this means.
- The Bank provides loans to both the public and private sector via intermediary institutions. Private sector finance and public sector finance may be differentiated. This would speed up the processes, improve efficiency, and ensure that more applicable rules are introduced.
- Greater use should be made of information technology to ensure transparency and access, for example a central electronic archive. This would allow all stakeholders to have equal and efficient access to information.
- Explaining to people the cause and effect relationship in projects in the simplest way, using audio, visual and schematic tools, and giving them some lead time, could be useful for ensuring sufficient and real participation in meetings. One-day meetings are not sufficient to ensure participation; participation can be possible in meetings organized with a real intention of dialogue. Institutions must develop the necessary instruments and mechanisms within their own bodies to achieve this.
- Monitoring, evaluation and follow-up need to be considered. There are many negative instances from which all stakeholders must draw lessons. Reviewing and evaluating these negative lessons could also be useful for the process.
- The Bank could create a list of “sensitive areas of nature” which must not be touched/in which no investment should be undertaken. If the Bank declares in advance to agencies and companies requesting loans that no loans shall be provided for activities involving these predefined areas, it may be possible to avoid problems that may arise later.
- Safeguard policy efficiency may be enhanced if the Bank acts jointly with internationally active institutions/organizations that also have policies on which there is some level of harmonization, in order to create a shared vision.
- Safeguard policies must be applied equally to all financing, regardless of different intermediary institutions involved.

How can the Bank better support borrowers in their efforts to strengthen their systems and institutions with respect to environmental and social safeguards practices to yield more sustainable results on the ground?

- In terms of safeguard policies, the Bank should follow an inclusive approach that responds to the needs of all the countries in which it is active. However, these policies must also be consistent with the national legislation of related countries. It may not be easy to develop country-specific policies; however, the advantages and disadvantages of each country may

be identified, their development needs determined, and an approach defining the differences for individual countries could be beneficial on a regional basis, if not on an individual country basis.

- In order to ensure that safeguard policies are better understood, it is important to also inform public agencies other than the central government (metropolitan municipalities and development agencies), since these institutions lack awareness about safeguard policies although they use a high amounts of funds. It could be useful for the Bank to explain the safeguards to other institutions, regardless of whether they use Bank loans, through a joint platform.
- Safeguard documents are very long but they need to be reviewed and understood by the relevant agencies and organizations. The Bank could create a mechanism to ensure that those who need to read the documents are as well trained as its own staff. Furthermore, it should ensure that those responsible are competent to transfer their knowledge about safeguards to their colleagues in their respective institutions.

Recommendations with respect to any of the emerging areas described in the approach paper (i.e., disabilities; labor and occupational health and safety; human rights, land tenure and natural resources; free, prior and informed consent of Indigenous Peoples; gender; and climate change).

- Although the Bank's members are the governments, it should endeavor to give a greater voice to people. Laws may be passed but this does not necessarily ensure successful enforcement. Therefore, an elitist approach should be rejected and greater voice should be given to groups who are directly affected by projects and who constitute the majority, even though they have been marginalized, such as farmers, villagers and displaced people.
- More information is needed about the Bank's activities, particularly since it emphasizes accountability and transparency in its projects. Bank officials have been asked which projects the Bank is financing, and at which stage it has been included in the process, especially with regard to large dam and hydroelectric power plant (HEPP) projects. Participants noted that specific projects were not mentioned in the documents provided, but they needed to clearly know where Bank investments/partnerships were, so that comments could be conveyed about Safeguard Policies. Bank officials provided information about the projects executed by the Bank and its portfolio in Turkey.
- The issue of human rights must be incorporated into the safeguard policies and should be harmonized with the human rights obligations of countries. Turkey is signatory to many conventions which need to be upheld. Bank operations should be consistent with UN Charter. The Bank should support member states in their duty to protect against abuses that can arise in the context of Bank financed projects.
- Safeguards must be inclusive; they must include all issues like labor, disability, gender, etc. Cultural rights must also be included in human rights.
- The Bank is not effective enough on issues regarding human rights. First of all, the Bank must undertake a study to analyze the current state in the countries it works with and must provide financing to projects depending on the results of that assessment.
- It should be a cornerstone of policies to require borrowers to undertake human rights due diligence.

- Redress and remedy for human rights violations should be clear; monitoring is important in this respect.
- The Bank must take climate change as a priority issue. It should use its influence during the consultation process with stakeholders and other international organizations to address the challenges of climate change and use of clean technologies.
- Democracy is needed not only for human beings, but also for all living beings. It is important to create a democratic ecosystem. Safeguard policies should be reviewed with an approach of creating a democratic ecosystem.
- Safeguard policy should be comprehensive, covering full range of human rights issues – labor, disability, gender
- Labor and occupational health and safety is already covered by the existing legislation in Turkey.

Additional Comments or Suggestions

- It is a positive development that the Bank is holding consultations on the Safeguard Policies Review and Update with the participation of all stakeholders, and not with its own groups only.
- Safeguard policies should apply to investment lending that involves recurrent expenditures.
- For the Bank's principles to be effective they need to be practicable; however they are not widely applicable at present. For example, while Small Medium Enterprises (SMEs) with high capacity can easily access international loans, SMEs with limited access to SME loans face difficulties in access to international finance. Safeguard policies are deemed to be hard-to-apply and are a deterrent, particularly for smaller SMEs.
- The policies clearly specify what is to be protected or intended to be protected, but from what and whom they are to be protected must be indicated more clearly in the revised policies.
- In Turkey, there is an expectation that the concept of governance will be re-assessed, and that decision-makers and organizations that are recognized as the voice of civil society will be brought together on certain platforms for dialogue.
- There must be remedies if Bank criteria are not met.
- Strategic EIA should be used, particularly in relation to energy and climate change.
- Important to provide protection to Indigenous Peoples.
- During the meeting, some questions were directed to Bank representatives. One of these questions was "What sort of a path does the World Bank follow when the Bank criteria are not satisfied and when there are disputes about the application of criteria among countries?"
- Another question was "Is project finance affected when the good will shown at the beginning of a project with a long implementation period turns negative later?"
- Another question was "How is a project monitored by the World Bank?" All the questions mentioned above were answered by the Bank representatives.