



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

**With additional comments highlighted in yellow by WWF Austria, Karl Schellmann; January 2015**

**Date:** December 5, 2014

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

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

**Overview and Key Issues Discussed:**

| <b>Specific Feedback from Stakeholders</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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| <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 welcomed, but they are not reflected in all Bank policies; suggest the Bank introduce a human rights due diligence process, including for monitoring and evaluation</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
- Include exclusions in risk-classifications (e.g., fossil fuel investments)
- Ensure sufficient capacity and skills for implementation of new ESS, including for accountability

**WWF Austria:**

- No. 20: The classification should also have exclusion topics where worldbank is not investing at all like: new fossil fuel facilities, deforestation projects...;
- No. 30: for high risk projects, the bank should not only rely on available information but actively research risk related information
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**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

**WWF Austria:**

- No. 15: in case of high risk projects, the bank should actively cooperate with the borrower to do the assessment and monitoring. This also applies correspondingly at No. 21., 24, 29., 31., 34., 38., 40., 42. and 53.;
- No. 33: the risks for ecosystem services should be included

**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

**WWF Austria:**

- No. 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 have to stay under ground and not being used. The bank standards have to send clear signals to achieve that and propose effective financial conditions and frameworks for it.
- No. 4: Where no generally accepted benchmark framework is available the bank has to provide benchmark data
- No. 6: take out “where technically and financially feasible”, it has to be done!

#### **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**

- Welcome references to tenure guidelines, but need more specificity; due diligence language is too weak
- 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

#### **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)

#### **WWF Austria:**

- Objectives: please add a bullet like: “To protect critical ecosystem services like outlined in the Convention on Biodiversity and the Millennium Ecosystem Assessment”
- No. 9: Change 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”.
- No. 15: Biodiversity Offsets are a very critical topic, it needs clear guidelines to be developed in cooperation with conservation organisations like WWF to avoid adverse effects
- No. 17: The evaluation of “viable alternatives” is a very critical topic, it needs clear guidelines to be developed in cooperation with conservation organisations like WWF to avoid adverse effect
- No. 19: the assessments need external review
- No. 25: AAs “Sustainable management of living natural resources” is a very critical topic, it needs clear definitions and guidelines to be developed in cooperation with conservation organisations like WWF to avoid adverse effects
- No. 30/31: In this case the Bank has to provide minimum standards of environment & social standards which always have to be followed.
- No. 32: take out the last sentence and replace by: “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

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

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

- Exceptions in Framework especially problematic with regard to Financial Intermediaries (FIs), since WB is further removed
- 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

**WWF Austria:**

- No. 14 a): All projects should be screened against the exclusion list
- No. 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 of vulnerable groups crucial
- 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 participation of vulnerable groups and disabled