

## World Bank Safeguards Review: Overview of CSO Concerns

The safeguard policies are critical to protecting people, their rights and the environment, and ultimately the sustainability of Bank operations. A wide range of civil society organizations call on President Kim to recognize that safeguards are central to his goal to eradicate poverty.

Over the past thirty years, the World Bank has developed mandatory safeguards designed to prevent harm to communities and their surrounding environment. These safeguards emerged in large part as a result of pressure from communities suffering from negative social and environmental impacts of projects and programs funded by the World Bank and other international financial institutions.

Several recent developments indicate that World Bank is planning to significantly change the architecture of the safeguards. These developments include the move toward principle-based policies at the IFC and MIGA, the IFC's emphasis on self-reporting and self-monitoring, the piloting of the Use of Country Systems approach and similar approaches that rely on borrower systems (such as PforR), and the recent review of Investment Lending policies. Many are concerned that the real motivation for the review is to weaken social and environmental protections in a misguided effort to remain competitive with emerging lenders that have no similar policies.

Members of civil society urge the World Bank to adhere to the following principles:

- *No Dilution.* Ensure full implementation of President Kim's commitment that the safeguard review will not lead to any dilution of existing safeguards but will instead result in stronger protections for people and the environment. We note that adoption of the approach pioneered by IFC Performance Standards would represent a significant dilution of safeguards.
- *Upward Harmonization.* At a minimum, the World Bank safeguards should be consistent with the highest existing standards, including those of multilateral and bilateral financial institutions and international laws protecting human rights and the environment. Current policies do not ensure respect for labor rights, women's rights, children's rights, rights of people with disabilities, and land rights and some are significantly weaker than those of other institutions.
- *Proper Scope.* The current policies apply to a shrinking number of Bank efforts. Safeguards should apply to all types of Bank-supported activities including, for instance, policy loans, technical advice to governments and climate finance.
- *Full Implementation.* The Bank should ensure that Bank staff has the incentives, capacity, and skills to ensure effective safeguard implementation.
- *Accountability.* Safeguard policies and procedures should be binding and sufficiently detailed to allow the Inspection Panel – the World Bank's grievance mechanism – to review their implementation.

In addition to these overarching principles, specific thematic areas of importance to the safeguard review process include: social and environmental assessment, human rights, discrimination, indigenous peoples, involuntary resettlement, labor rights, gender equality and women's rights, children's rights, rights of persons with disabilities, projects in disputed areas, climate change mitigation and adaptation, natural habitats, forests, and dam safety. In terms of implementation, specific areas of concern include transparency, project appraisal and economic evaluation, accountability for results and operation supervision, and bank incentive structures.