

World Bank Safeguard Policies

Proposed Environmental and Social Framework

First and foremost, we would like to acknowledge the great effort carried out by Management and the involved teams in the elaboration and review process of the new Environmental and Social Framework for the World Bank (E&S). We consider this project as a great step-forward in this topic, based on our existing policies, in order to achieve our Twin Goals. With efforts like this, our institution continues to lead the way in the world development agenda and strives to stay up-to-date in the needs for a modern safeguards framework for our investment-project operations that promote efficiency and real development effectiveness. It is especially noteworthy the extensive consultation carried out by the teams, as well as the intense and productive engagement with the Board. We encourage you to continue these efforts.

We would also like to highlight the importance that this E&S project puts on the use of country systems: in our view, this is not a dilution of the environmental and social protections that the Bank has in place for its projects, since the E&S draft concentrates all the existing regulations and, also, expands its scope, including new rules (such as labor protection); but ultimately, through capacity building and the implementation of incentives, these new safeguards can promote a more efficient and developed governance systems in borrowing countries. *To that end, we encourage Management to strengthen the capacity-building measures in the framework, in order to fortify national country systems in the environmental and social fields, and to detail the activities through which the Bank would lend its efforts to strengthen national country systems and incentivize their convergence with our E&S standards.*

We are also aware that the proposed framework would engage in evaluations prior to the implementation of any project that is covered by the new E&S standards. Nevertheless, we consider that situations could arise were urgent disbursement for IPF projects would be needed and that the prior-evaluations could hinder their urgent-approval and implementation. *To that end, we ask Management to explain how the Bank would support said projects, in case the prior-evaluation is considered a deterrent in case of urgency.*

Management has explained that sufficient budget allocations have been considered for the implementation of the framework. *We recognize the effort by Management and encourage them to fully ensure that all budgetary needs are sufficiently mapped and provided for, since in our view, to ensure a successful implementation of this new framework, we must ensure complete funding for these activities.*

We consider the E&S project a part of the holistic reform agenda of our institution, such as the Expenditure Review, the new Procurement framework, etc. We are aware that the proposed E&S framework summarizes already existing policies in our institution, although there are new inclusions. Nevertheless, we consider that a staff skill assessment in line with the recent exercise carried out internally to evaluate procurement staff skills, could be useful, to ensure that the institution is both well-prepared to apply this new framework, as well as to help borrowing countries fortify their own systems. *Therefore, we encourage Management to consider this suggestion and, if deemed necessary and/or useful, to carry it out calling on additional budget resources for appropriate training in case of identified skill gaps.*

We also welcome Management's commitment to improve operational efficiency and making the new framework less burdensome on borrowers. Nevertheless, some concerns persist regarding the possible difficulties borrowing countries may face in complying with the new framework prior to the implementation of a project, as well as during its operation, regarding lengthened times and further

procedures to consider. *To that end, we encourage Management to have a more detailed explanation that fully demonstrates how this framework will not have an adverse effect on delaying the project cycle, as well as proving how this new procedures will benefit the efficiency in the implementation of our projects and how it promotes a less onerous cost-framework for borrowers.*

We consider that this new framework has a commendable ambition to strengthen the project focus of the Bank's E&S standards. In our view, ambiguity in defining project boundaries, including project and non-project responsibilities, can cause costly confusion to both staff and the borrowing countries. *To that end, we call upon Management to further clarify the project-level application and boundaries, and associated facilities for these standards in the project text.*

We support the recognition of the rights of Indigenous Peoples to their lands, natural resources, identity and culture, and in particular, the protection of indigenous communities and the application of Free, Prior and Informed Consent under specific circumstances. We understand that the use of the alternative approach was not well-received during the recent round of consultations. *Therefore, in accordance with one of the general objectives of this new framework, which is to use and strengthen country systems, we encourage Management to further engage with stakeholders and borrowing countries in particular, as to work the specific areas of the draft that need reformulation, always considering the need to protect the rights of all populations, especially the most vulnerable, in balance with the development needs of borrowing countries.*

On the matter of Labor and Working Conditions, we consider that the Bank is bound to respect some basic core standards, especially those related with child protection, freedom of association and right to collective bargaining in accordance with the International Labor Organization standards. *To that end, we encourage Management to continue working with this inclusion.*

On the issue of non-discrimination and human rights, we encourage Management to fortify the proposed text in its inclusion in the vision statement. We are of the view that the mandate of the Bank imposes an obligation on the institution to promote human development in every part of the world, regardless of geographical location and cultural backgrounds: indeed, the Bank can play a pivotal role to help borrowing countries to meet not only their international obligations on human rights, but to truly promote equal, sustainable development. *To that end, we encourage Management to strengthen the language and further specify the non-discrimination text of the draft and in its policy guidelines, so as to ensure that our work truly provides benefits to all, to guarantee that the Bank projects not only do not harm any vulnerable sectors but, on the contrary, focus efforts in ensuring safe and equitable access to the benefits of Bank-financed projects.*

Furthermore, on the issue of the resolution of differences between the Bank and borrowing countries, we strongly encourage Management to build agreed-upon approaches between this institution and its clients that highlights a mutual understanding and compromise between both parties. Additionally, we consider that the Bank has a great role to play in fostering and achieving environmentally sustainable development in borrowing countries, including specific measures on mitigation, adaptation and the need to reinforce the reduction of emissions: we consider that the inclusion of this topic in the proposed framework is a great step forward in ensuring sustainability for development. *Therefore, we encourage Management to continue working on both topics.*

Finally, we would like to ask Management their considerations on the recommendations of the Independent Evaluation Group on this project.

On the way forward, we encourage Management to consider carrying out the third round of consultations in countries that have not yet been visited, as well as to include field experts in these activities, to ensure an even more broad-review of this project. We are looking forward and ready to engage in our discussions at the Committee on Development Effectiveness.