

## WRI Comments on the Draft Social & Environmental Framework

# PART ONE – Overarching Comments

## Introduction

The World Bank’s social and environmental safeguard policies are vital to the successful achievement of the Bank’s goals of sustainable poverty reduction and shared prosperity. The safeguards ensure that World Bank funded projects consider impacts on vulnerable people and ecosystems. They boost project success, and provide the World Bank, its borrowers, affected people, and the global community a safety net against undue social and environmental harm. The overall benefits of safeguard generally outweigh the cost of implementation.<sup>1</sup> In essence, they help solidify the Bank’s identity as a premier development institution.

The World Bank’s safeguards are not only important to World Bank investments. They also provide a benchmark for other institutions. Investors and governments increasingly understand the value of considering the impacts of financial flows on people and ecosystems. As a result, the World Bank’s current safeguard policies are mirrored in institutional standards and country regulations around the world. The current review of the safeguard policies will therefore have a profound and widespread impact. It could bolster or weaken social and environmental protections across the globe.

WRI has followed the safeguards review process with keen interest. This year we published two reports related to the process: [Striking the Balance](#), focused on the relationship between World Bank and national safeguard systems, and [Designed for the Future?](#), based on an assessment of social and environmental sustainability in World Bank projects. WRI’s Benoit Lefevre also participated in the World Bank’s expert working group on safeguards and climate change. Our research for *Striking the Balance* consisted of conversations with representatives from the World Bank, regional development banks, governments, consultants and civil society in the United States, Vietnam, Cambodia, Tanzania and Kenya. This provided particularly interesting insights into the current safeguard structure and possible solutions.

We thank the Bank for this opportunity to weigh in on the first draft of the new Environmental and Social Framework (hereinafter Draft Framework). While the Draft Framework covers many important topics, we have chosen to focus these comments on the overarching architecture of safeguards, as well as two substantive areas: climate change and ecosystem services. Additional input on the draft can be found in Part Two of our submission, which provides suggested line edits on additional topics including land and gender.

## I. Safeguard Architecture

Proper design of the safeguard framework will help both the Bank and borrowers implement safeguards efficiently and effectively. This section contains WRI’s recommendations for how to improve the safeguard architecture as laid out in the Draft Framework.

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<sup>1</sup> See, for example, Independent Evaluation Group (EIG), *Safeguards and Sustainability Policies in a Changing World: An Independent Evaluation of World Bank Group Experience* (2010), Chapter 4. See Rachel Davis and Daniel Franks, *Costs of Company-Community Conflict in the Extractive Sector* (2014), for further analysis of the value of safeguards.

*i. Clarify timelines and commitments*

Standards that support clear, predictable requirements will benefit the Bank, its borrowers, and affected people. In a key departure from current requirements, which require key safeguard documents to be created before project approval, the Draft Framework states that the Bank will require the Borrower to structure projects so that they meet safeguard requirements “in a manner and a timeframe acceptable to the Bank.”<sup>2</sup> This means, presumably, that projects can be approved by the Board before all safeguard assessments have been completed and plans formulated.

We understand the Bank’s interest in creating a policy that adequately meets the needs of the diverse range of countries and projects that it finances. We assume that the introduction of greater flexibility at the project approval stage is meant to: a) respond to the concern that safeguard efforts are currently “frontloaded” at the beginning of the project, b) allow projects to go forward before their social and environmental impacts are entirely clear, and c) allow the borrower time to strengthen its safeguard systems while implementing other elements of the project.

We understand the concern expressed by others that current safeguard policies are “front loaded.” That is, that too much effort currently goes into initial safeguard documents compared to safeguard implementation and monitoring. Our research suggests though that the primary method to deal with this imbalance should be to increase engagement in the latter stages in the process, without reducing effort spent on clear upfront assessments and implementation plans, particularly for high-impact projects. This is particularly true for projects with higher risks. For these projects it is important for parties to understand up front what they are agreeing to do and how much these actions will cost. Lack of such clarity creates a high risk of conflict between the Bank, Borrower and affected communities during project implementation.

We therefore recommend that the bank limit use of this flexibility primarily to low-risk projects. If more time is needed to better understand the project’s potential impacts and develop systems to respond to these impacts for high risk projects, the Bank could implement a system of staged project approval or tranches. The Draft Framework states that where the Bank has allowed the borrower to take safeguard actions “over a specified timeframe,” the borrower must “commit to not carrying out any activities or taking any actions in relation to the project that may cause material or significant adverse environmental or social risks or impacts until the relevant plans, measures or actions have been completed to the satisfaction of the Bank.”<sup>3</sup> The additional step of approval proposed here would simply allow the Board the chance to review the borrower’s progress before granting final approval for more risky activities. This concept is similar to that used for multi-tranche Development Policy Loans, or the Program for Results, where funding is provided after the borrower has achieved certain results.



<sup>2</sup> Draft Framework pg. 11, para. 13.

<sup>3</sup> Draft Framework pg. 12, para. 16.

ii. *Clarify Role of Borrower systems*

One of the main challenges that the World Bank faces in developing its new safeguard framework is constructing an effective relationship between its own systems and those of recipient countries, as outlined in our report [Striking the Balance](#). Ideally, borrower governments would themselves ensure that investments within their borders do not cause harm. However, while some governments can carry out this responsibility, many others have yet to reach this level of capacity. The Bank is therefore tasked with structuring its policies to simultaneously a) support further strengthening of its borrower's systems, and b) ensure that its investments do not cause social or environmental harm.

The Draft Framework makes some potentially positive steps toward a more effective relationship between Bank and borrower safeguard systems. For example, it appears to require the Bank to always assess the borrower's laws and institutions prior to approving project loans and determine if these systems are adequate.<sup>4</sup> If skillfully implemented, this approach could help the Bank and borrower structure safeguard implementation to account for the strength or weakness of the country's laws and institutions (regardless of whether they opt to use the borrower's system as a replacement for the Bank's). Further details are needed though on precisely how this requirement will be implemented.

For example, guidance is necessary on how Bank staff are meant to determine whether a country's system is strong enough. Currently the Draft Framework, along with the accompanying information document on borrower safeguard systems, require these systems to "materially" meet the "objectives" of the environmental and social standards. The objectives in the standards are written with only a few words, however, and do not provide sufficient instruction. The requirement to "materially" meet the objectives makes the requirements even less clear. While we understand the need for flexibility, we suggest that the Bank has gone too far in this case. Without further requirements, assessments will likely vary greatly between countries and practitioners, causing frustration for borrowers and stakeholders. Further clarity on when and how assessments will be conducted, how they will be paid for, and the relationship between these assessments and the Bank's broader due diligence is also needed.

Greater clarity on requirements will also enable the Inspection Panel to more easily determine when the Bank has followed its own policies and when they have been violated. The Inspection Panel's job becomes more difficult when the use of borrower systems is involved. In these cases the Panel must first determine whether the Bank adequately assessed the borrower's systems, and then decide whether the project was implemented according to the relevant standards. This could include interpreting whether the country has adequately implemented its own laws, a potentially complex process, particularly when the country's own courts or government disagree with the Panel. Clear requirements up front will help manage expectations and mitigate these challenges down the road.

Finally, the Bank and Borrower will benefit from strategically connecting assessments of country safeguard systems with Systematic Country Diagnostics and Country Partnership Frameworks to ensure strategic efforts are made to address systemic weaknesses in borrower safeguard systems.

iii. *Invest in Human Resources and Borrower Safeguard Systems*

Our research has made clear that effective safeguard implementation and use of Borrower safeguard systems requires greater commitment of human and financial resources than is made available today. Safeguards experts are currently overstretched and responsible for overseeing safeguard implementation for a variety of projects simultaneously. This not only compromises the Bank's

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<sup>4</sup> Draft Framework, pg. 13.

understanding of the challenges and opportunities presented with each project, it also indicates a lack of Bank commitment to safeguards implementation to borrowers and stakeholders. Greater human resources for safeguard implementation at the World Bank will enable the Bank to implement safeguards more quickly and effectively. We therefore strongly recommend that the Bank clearly commit to providing more resources for safeguard implementation.

We also recommend significantly increasing support to strengthen borrower country's safeguard systems, and efforts to emphasize the value of these systems. If the Bank wishes to use these systems in the future they need to invest in them today, and borrower countries have proven very interested in such technical assistance. An example of this can be seen in the Asian Development Bank's technical assistance investments to strengthen country systems, where Borrower interest has been high.<sup>5</sup>

## II. Substantive Areas: Climate Change and Ecosystem Services

This section provides overarching comments on three substantive areas that we feel are inadequately considered in the draft: climate change adaptation, climate change mitigation, and ecosystem services. Suggestions related to additional substantive areas (including gender and indigenous peoples) can be found in Part Two of this document, which provides suggested language changes.

### *i. Climate change adaptation*

In recent years, the World Bank has increasingly recognized the threat that climate change poses to successful development.<sup>6</sup> It has struggled, though, to make this recognition apparent in its projects. A WRI assessment of 60 projects approved between January 2012 and June 2013 found that 75% did not incorporate risk assessments related to climate change into their project design documents, and 88% of projects did not assess likely greenhouse gas emissions from the project activities.<sup>7</sup> The safeguard review is a great opportunity to change these statistics. Unfortunately though, the Draft Framework falls short of fully embracing this opportunity and thus fails to position the Bank as a leader compared to its peer institutions.

In terms of adaptation to climate change, many of the Bank's borrower countries are particularly vulnerable to the negative impacts of the changing climate. Successful project implementation therefore hinges on understanding these impacts and the effect they will have on Bank projects.

While the Draft Framework improves upon current safeguards policies (which barely mention climate change), it does not show the level of concern for climate risks called for in the Bank's own documents.<sup>8</sup> For example, despite the fact that Environmental and Social Standard (ESS) 4 on Community Health and Safety recognizes in its introduction that "communities that are already subjected to impacts from climate change may also experience an acceleration or intensification of impacts due to project

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<sup>5</sup> See a list of some of the project proposals online here: <http://www.adb.org/projects/44140-012/documents>.

<sup>6</sup> See, for example, President Kim's commissioning of two [Turn Down the Heat](#) reports, and the World Bank's pledge of funding toward climate change mitigation in the [city](#) and [transport](#) sectors.

<sup>7</sup> Clifford Polycarp, Milap Patel & Joonkyung Seong, "Designed for the Future? Assessing Principles of Sustainable Development and Governance in the World Bank's Project Plans" (2014). Available online at: <http://www.wri.org/publication/designed-future>.

<sup>8</sup> See, for example, the [Turn Down the Heat reports](#).

activities,” the standard contains no requirements explicitly related to climate change. ESS 1 on the Assessment and Management of Environmental and Social Risks and Impacts presents a similar picture. We recommend that the Bank create much more detailed and robust requirements for understanding the effect that climate change will have on the project’s success and on the people and ecosystems that the project will impact.

### *ii. Climate Change Mitigation*

In terms of climate change mitigation, the Draft Framework introduces a requirement for greenhouse gas assessments for projects expected to release more than 25,000 metric tons of CO<sup>2</sup> equivalent annually. This is a welcome development. However, the requirement is considerably curtailed by language that states that assessments only need to be made if it is “technically and financially feasible” to do so.<sup>9</sup> Requiring assessments only when they are not outweighed by economic interests sends the wrong message to both borrower governments and the global community about the relative importance of climate change mitigation. This caveat also introduces uncertainty into the standard, including the question of who determines feasibility and how. If borrowers lack the capacity to implement emissions assessments, the World Bank should be able and willing to support Borrower through the process. Notably, the IFC’s Performance Standards, upon which the section on climate change mitigation appears modeled, does not include language on feasibility.

It is also important for the Bank to accurately define the emissions threshold. The explanatory footnote in the Draft Framework (footnote 7) currently states that the Bank will consider “all significant sources of GHG emissions” in calculating the 25,000 ton threshold. This language should be changed to “all significant sources of *direct and indirect* GHG emissions,” so that the requirement also applies to projects that consume large amounts of electricity. Footnote 7 should state that the requirements apply to all 7 greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>). In addition, further information is needed on acceptable methodologies for assessing emission, and on support that the Bank can provide to countries that do not yet possess the capacity for thorough emissions calculations.

In terms of reducing GHG emissions, the Draft Framework asks the borrower to “consider alternatives and implement technically and financially feasible and cost effective options to reduce project GHG-emissions.”<sup>10</sup> This language is a relatively weak encouragement for borrowers and Bank staff to develop projects with low GHG emissions. At the very least, the language on cost effectiveness should be deleted since the issue of cost is covered by the previous wording on financial feasibility. In addition, we recommend that the Bank clarify how it intends to support low-carbon alternatives. This could, for example, include a cap on emissions for individual projects, a shadow price on carbon, and/or an institutional commitment to reduce emissions over time. The World Bank could link efforts of choosing low-carbon alternatives with access to climate funding to ensure a cohesive approach to low carbon development. Finally, we suggest that the Bank make greater efforts to ensure that funded activities are in-line with national Low-Emission Development Strategies, Nationally Appropriate Mitigation Actions (NAMAs), and similar national plans and commitments.

### *iii. Ecosystem Services*

One of the main goals of safeguard policies is to ensure that people who may be negatively impacted by an investment have adequate protection. “Ecosystem services” refers to the direct and indirect

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<sup>9</sup> Draft Framework pg. 41, para. 6.

<sup>10</sup> Draft Framework pg. 41, para. 5.

contributions of ecosystems to human well-being. Assessing an investment's impact on ecosystem services allows actors to understand and address the social implications of the project's environmental effects. Ecosystems services feature nowhere in the Draft Framework. This is despite the fact that the International Finance Corporation's Performances Standards on Environmental and Social Sustainability mention the importance of ecosystem services frequently. Leaving out ecosystem services in the Bank's safeguards will create confusion and go against the goal of a harmonized World Bank Group. Embracing them will allow the Bank to support protection and sustainable management of important public goods and services.

There are several places in the Draft Framework where language around ecosystem services could add value. ESS 4 on Community Health and Safety, for example, mentions environmental impacts on communities without providing a clear explanation of the types of environmental impacts that may be relevant. Focus on environmental impacts in this way often leads practitioners to overlook some of the services provided by ecosystems. A [WRI survey](#) found that safeguard practitioners recognize that efforts to tackle environmental and social impacts should be more integrated than they are today, yet they often lack concepts to support such integration.

The concept of ecosystem services helps to fill that gap.<sup>11</sup> It has been essential in ensuring that the contributions of the environment to economic growth go beyond natural resources to address the broad ranges of public goods and services supplied by functioning ecosystems, such as regulation of water timing and flow, protection from landslides and floods, and pollination. It has also helped highlight the key role of governments in protecting environmental capital and ecosystem services. By explicitly aiming at maintaining the value and functionality of ecosystem services, the Bank has the potential to influence how entire landscapes are valued and managed.

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<sup>11</sup> WRI has recently published a technical document to help environmental and social practitioners collaborate around environmental impacts that would lead to significant loss in people's wellbeing, which is available online at: [http://www.wri.org/sites/default/files/weaving\\_ecosystem\\_services\\_into\\_impact\\_assessment\\_technical\\_appendix.pdf](http://www.wri.org/sites/default/files/weaving_ecosystem_services_into_impact_assessment_technical_appendix.pdf)

## Part Two – Suggested Language Changes

COLOR KEY	
	Architecture/Implementation
	Ecosystem services
	Use of borrower systems
	Land/community rights
	Climate change
	Participatory governance
	Gender

This document outlines specific language changes that the World Resources Institute (WRI) suggests will improve the World Bank’s Draft Social and Environmental Framework. We have focused our interventions on key areas that we deem vital to effective safeguard implementation and within WRI’s expertise (see Color Key at left). This document accompanies Part 1 of WRI’s submission, which provides a general overview of our recommendations.

In the third column in the table below (“Text w/Suggested Edits”) **bold** text connotes suggested additional language and text that has been ~~struck through~~ marks a suggested deletion. Text in normal font remains as it is written in the Draft Framework.

#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
<b>A Vision for Sustainable Development</b>			
1	5, 3	...It also embraces action to remove barriers against those who are often excluded from the development process, such as women, children, youth, and minorities, and to ensure that the voice of all citizens can be heard. <del>In this regard, the Bank’s operations are supportive of human rights and will encourage respect for them in a manner consistent with the Bank’s Articles of Agreement</del> <b>human rights.</b>	...It also embraces action to remove barriers against those who are often excluded from the development process, such as women, children, youth, and minorities, and to ensure that the voice of all citizens can be heard. The Bank’s operations are supportive of and will respect human rights.
2	5, 5	Therefore, within the parameters of a project, the Bank seeks to: <ul style="list-style-type: none"> <li>• Avoid or mitigate adverse impacts to people and <b>the ecosystems they depend on;</b></li> </ul>	Therefore, within the parameters of a project, the Bank seeks to: <ul style="list-style-type: none"> <li>• Avoid or mitigate adverse impacts to people and the ecosystems they depend on;</li> </ul>
3	6, 7	The Bank will also work with Borrowers to identify strategic initiatives and goals to address national development priorities, where appropriate, as part of country engagement, <b>and ensure that Country Diagnostic Reviews systematically consider how to support effective implementation of the social and environmental standards within the country.</b>	The Bank will also work with Borrowers to identify strategic initiatives and goals to address national development priorities, where appropriate, as part of country engagement, and ensure that Country Diagnostic Reviews systematically consider how to support effective implementation of the social and environmental standards within the country.
<b>World Bank Environmental and Social Policy</b>			
4	8, 4	(b) Social risks and impacts, including: ... (iv) negative economic and social impacts relating to the involuntary taking of land or restriction on access to <del>natural resources</del> <b>ecosystem services;</b> (v) risks or impacts associated with land and natural resource tenure and use, including (as relevant) potential project impacts on local land use patterns and tenurial arrangements, land access and availability, food security and land values, and any corresponding risks related to conflict or contestation over land and <del>natural resources</del> <b>ecosystem services;</b>	(iv) negative economic and social impacts relating to the involuntary taking of land or restriction on access to ecosystem services; (v) risks or impacts associated with land and natural resource tenure and use, including (as relevant) potential project impacts on local land use patterns and tenurial arrangements, land access and availability, food security and land values, and any corresponding risks related to conflict or contestation over land and ecosystem services;
5	8, 3	<b>(f) Respond effectively to problems that arise in</b>	(f) Respond effectively to problems that arise in

		<b>implementation of the Social and Environmental Framework.</b>	implementation of the Social and Environmental Framework.
6	11, 11	The Bank will require all Associated Facilities <sup>13</sup> to meet the requirements of the ESSs., <del>to the extent that the Borrower has control and influence over such Associated Facilities.</del>	The Bank will require all Associated Facilities <sup>13</sup> to meet the requirements of the ESSs.
7	12,16	Where the Bank has agreed that the Borrower may plan or take specific measures or actions to avoid, minimize, reduce or mitigate specific risks and impacts of the project over a specified timeframe, the Bank will require that the Borrower commit to not carrying out any activities or taking any actions in relation to the project that may cause material or significant adverse environmental or social risks or impacts until <b>the Board determines that</b> relevant plans, measures or actions have been completed to the satisfaction of the Bank.	Where the Bank has agreed that the Borrower may plan or take specific measures or actions to avoid, minimize, reduce or mitigate specific risks and impacts of the project over a specified timeframe, the Bank will require that the Borrower commit to not carrying out any activities or taking any actions in relation to the project that may cause material or significant adverse environmental or social risks or impacts until the Board determines that relevant plans, measures or actions have been completed to the satisfaction of the Bank.
8	13, 23	The Bank supports the use of the Borrower's existing environmental and social framework in the assessment, development and implementation of projects supported through Investment Project Financing, providing this is likely to be able to address the risks and impacts of the project, and enable the project to achieve <del>objectives</del> <b>requirements</b> materially consistent with the ESSs....	The Bank supports the use of the Borrower's existing environmental and social framework in the assessment, development and implementation of projects supported through Investment Project Financing, providing this is likely to be able to address the risks and impacts of the project, and enable the project to achieve requirements materially consistent with the ESSs....
9	13, 24	... The review conducted by the Bank will assess to what extent the Borrower's ES Framework addresses the risks and impacts of the project, and enables the project to achieve <del>objectives</del> <b>requirements</b> materially consistent with the ESSs.	... The review conducted by the Bank will assess to what extent the Borrower's ES Framework addresses the risks and impacts of the project, and enables the project to achieve requirements materially consistent with the ESSs.
10	13, 25	Where the Bank has agreed to use all, or part, of the Borrower's ES Framework for the assessment, development and implementation of the project, the Bank will work with the Borrower to identify and agree on measures and actions to address gaps in the ES Framework, to the extent that such measures and actions are necessary to ensure <del>objectives</del> <b>requirements</b> materially consistent with the ESSs.... <b>The Bank will ensure that adequate support is made available to Borrowers to implement these measures and actions.</b>	Where the Bank has agreed to use all, or part, of the Borrower's ES Framework for the assessment, development and implementation of the project, the Bank will work with the Borrower to identify and agree on measures and actions to address gaps in the ES Framework, to the extent that such measures and actions are necessary to ensure requirements materially consistent with the ESSs. .... The Bank will ensure that adequate support is made available to Borrowers to implement these measures and actions.
11	15, 33	In order to determine the applicability of ESS7, the Bank will undertake a screening to determine whether Indigenous Peoples are present in, or have collective, <b>familial, or individual</b> attachment to, the project area. <del>Where the Borrower has raised valid concerns* regarding the application of ESS724, and submitted a request to the Bank to consider an alternative approach, the Bank may agree to the Borrower adopting such an approach, in which risks and impacts of the project on Indigenous People will be addressed through the application of the ESSs other than ESS7. The alternative approach will be structured so that relevant project-affected communities (of Indigenous Peoples) will be treated at least as well as other project-affected people. The agreement between the Bank and the Borrower regarding this approach will be</del>	In order to determine the applicability of ESS7, the Bank will undertake a screening to determine whether Indigenous Peoples are present in, or have collective, familial, or individual attachment to, the project area.

		set out in the ESCP.	
12	15, 34	For all projects involving the preparation and implementation of subprojects, <sup>25</sup> the Borrower is responsible for classifying the subprojects, carrying out environmental and social assessment, and reviewing the results of such assessment. <del>Where the Bank is not satisfied that adequate capacity exists on the Borrower's part,</del> All <i>High Risk</i> subprojects, including the environmental and social assessment, will be subject to prior review and approval by the Bank.	For all projects involving the preparation and implementation of subprojects, <sup>25</sup> the Borrower is responsible for classifying the subprojects, carrying out environmental and social assessment, and reviewing the results of such assessment. All <i>High Risk</i> subprojects, including the environmental and social assessment, will be subject to prior review and approval by the Bank.
13	15, 35	... Where subprojects are classified as <i>High Risk or Substantial Risk</i> , the environmental and social assessment will be consistent with ESSs 1 to 8 and ESS10. The Bank will require the Borrower to ensure that subprojects are structured to meet national regulatory requirements relating to environmental and social risks and impacts, and where subprojects are classified as <i>High Risk or Substantial Risk</i> , they are also structured to meet ESSs 1 to 8 and ESS10.	... Where subprojects are classified as <i>High Risk or Substantial Risk</i> , the environmental and social assessment will be consistent with ESSs 1 to 8 and ESS10. The Bank will require the Borrower to ensure that subprojects are structured to meet national regulatory requirements relating to environmental and social risks and impacts, and where subprojects are classified as <i>High Risk or Substantial Risk</i> , they are also structured to meet ESSs 1 to 8 and ESS10.
14	15, fn 23	<del>The Bank will have the sole responsibility for determining the validity of the Borrower's concerns, and may use whatever means the Bank deems appropriate to do so, including seeking the technical advice of specialists with expertise on the social and cultural groups in the project area and consulting with Indigenous Peoples.</del>  <i>Alternative (if opt-out provision is retained):</i> The Bank will have the sole responsibility for determining the validity of the Borrower's concerns, and may use whatever means the Bank deems appropriate to do so, <b>which will include</b> seeking the technical advice of specialists with expertise on the social and cultural groups in the project area and consulting with Indigenous Peoples.	n/a  <i>Alternative (if opt-out provision is retained):</i> The Bank will have the sole responsibility for determining the validity of the Borrower's concerns, and may use whatever means the Bank deems appropriate to do so, which will include seeking the technical advice of specialists with expertise on the social and cultural groups in the project area and consulting with Indigenous Peoples.
15	16, 37	The Bank will require the FI to verify, <sup>26</sup> before approval of a subproject, that the subproject is structured to meet the relevant environmental and social national law requirements and, if the subproject is classified as <i>High Risk or Substantial Risk</i> , the ESSs.	The Bank will require the FI to verify, <sup>26</sup> before approval of a subproject, that the subproject is structured to meet the relevant environmental and social national law requirements and, if the subproject is classified as <i>High Risk or Substantial Risk</i> , the ESSs.
16	16, 38	Where projects involving an FI are expected to have <i>High Risk or Substantial Risk</i> subprojects and the Bank is not satisfied that adequate capacity exists for classifying, carrying out environmental and social assessment and /or reviewing the results of such assessment, all <i>High Risk or Substantial Risk</i> subprojects (including the environmental and social assessment) will be subject to prior review and approval by the Bank.	Where projects involving an FI are expected to have <i>High Risk or Substantial Risk</i> subprojects and the Bank is not satisfied that adequate capacity exists for classifying, carrying out environmental and social assessment and /or reviewing the results of such assessment, all <i>High Risk or Substantial Risk</i> subprojects (including the environmental and social assessment) will be subject to prior review and approval by the Bank.
17	16, 39	The Bank will assist the Borrower in developing an ESCP, <b>which will be completed prior to project approval, in consultation with relevant stakeholders.</b> The ESCP will set out the material measures and actions required for the project to achieve compliance with the ESSs over a	The Bank will assist the Borrower in developing an ESCP, which will be completed prior to project approval, in consultation with relevant stakeholders. The ESCP will set out the material measures and actions required for the project to achieve compliance with the ESSs over a

		specified timeframe. ...	specified timeframe. ...
18	16, 44	...The Bank will <del>have the right to</del> participate in consultation activities to understand the concerns of affected people.... For <i>High Risk</i> or complex projects with potentially significant adverse environmental and social impacts, the Bank will <del>have the right to</del> carry out independent consultation activities.	...The Bank will participate in consultation activities to understand the concerns of affected people.... For High Risk or complex projects with potentially significant adverse environmental and social impacts, the Bank will carry out independent consultation activities.
19	16, 48	Where appropriate, the Bank will <del>require the Borrower to</del> engage stakeholders and third parties, such as independent experts, local communities or non-governmental organizations (NGOs), to complement or verify project monitoring information, <b>and require the borrower to do the same.</b>	Where appropriate, the Bank will engage stakeholders and third parties, such as independent experts, local communities or nongovernmental organizations (NGOs), to complement or verify project monitoring information, and require the borrower to do the same.

## ESS 1. Assessment and Management of Environmental and Social Risks and Impacts

#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
20	21, 4	In assessing, developing and implementing a project supported by Investment Project Financing, the Borrower may, where appropriate, agree with the Bank to use all or part of the Borrower's national environmental and social framework to address the risks and impacts of the project, providing such use will <b>ensure implementation of requirements materially enable the project to achieve objectives</b> consistent with the ESSs.	In assessing, developing and implementing a project supported by Investment Project Financing, the Borrower may, where appropriate, agree with the Bank to use all or part of the Borrower's national environmental and social framework to address the risks and impacts of the project, providing such use will ensure implementation of requirements materially consistent with the ESSs.
21	22, n/a	<ul style="list-style-type: none"> <li>To adopt a mitigation hierarchy approach to: ... (d) Where residual risks or impacts remain, compensate for <del>or offset</del>,<sup>2</sup> as appropriate.</li> </ul> <p><sup>2</sup>The requirement to offset will take into account financial and technical feasibility.</p>	<ul style="list-style-type: none"> <li>To adopt a mitigation hierarchy approach to: ... (d) Where residual risks or impacts remain, compensate for <del>or offset</del>, as appropriate.</li> </ul>
22	24, 17	If <del>less stringent levels or measures than those provided in the EHSR are appropriate in view of the</del> Borrower's limited technical or financial constraints <del>or other specific project circumstances</del> , <b>limit the Borrower's ability to meet the ESHG standards, the Bank will provide the Borrower with relevant technical assistance.</b> <del>the Borrower will provide full and detailed justification for any proposed alternatives through the environmental and social assessment. This justification must demonstrate, to the satisfaction of the Bank, that the choice of any alternative performance level is consistent with the objectives of the ESSs and the applicable EHSR, and is unlikely to result in any significant environmental or social harm.</del>	If the Borrower's limited technical or financial constraints limit the Borrower's ability to meet the ESHG standards, the Bank will provide the Borrower with relevant technical assistance.
23	25, fn 16	The Borrower, in consultation with the Bank, will identify and use appropriate methods and tools, including scoping, environmental and social analyses, <b>gender analysis</b> , investigations. . .	The Borrower, in consultation with the Bank, will identify and use appropriate methods and tools, including scoping, environmental and social analyses, gender analysis, investigations. . .
24	26, 22	The environmental and social assessment will be based on current information, including an accurate description and delineation of the project and any associated aspects, and environmental and social baseline data ( <b>including sex-</b>	The environmental and social assessment will be based on current information, including an accurate description and delineation of the project and any associated aspects, and environmental and social baseline data (including sex-

		disaggregated data) at an appropriate level of detail sufficient to inform characterization and mitigation of impacts. . .	disaggregated data) at an appropriate level of detail sufficient to inform characterization and mitigation of impacts. . .
25	27, 28	Where the Borrower is concerned that <del>the process of identifying different treatment of</del> groups for purposes of applying ESS7 would create a serious risk of exacerbating ethnic tension or civil strife, or where <del>the identification of culturally distinct groups as envisioned in ESS7 is inconsistent with the provisions of the national constitution,</del> the Borrower may request the Bank to agree on an alternative approach, <b>designed to reduce such strife in which risks and impacts of the project on Indigenous Peoples will be addressed through the application of the ESSs other than ESS7.</b> The Borrower will initiate the request for such an alternative approach through written communication with the Bank, setting out a detailed rationale for the request. ...	Where the Borrower is concerned that different treatment of groups for purposes of applying ESS7 would create a serious risk of exacerbating ethnic tension or civil strife, or where the Borrower may request the Bank to agree on an alternative approach, designed to reduce such strife. The Borrower will initiate the request for such an alternative approach through written communication with the Bank, setting out a detailed rationale for the request. ...
26	28, 29	... Where subprojects are classified as <i>High Risk or Substantial Risk</i> , the environmental and social assessment will be consistent with ESSs 1 to 8 and ESS10. Borrowers will ensure that subprojects are structured to meet national regulatory requirements relating to environmental and social risks and impacts, and where subprojects are classified as <i>High Risk or Substantial Risk</i> , they are also structured to meet ESSs 1 to 8 and ESS10. ...	... Where subprojects are classified as <i>High Risk or Substantial Risk</i> , the environmental and social assessment will be consistent with ESSs 1 to 8 and ESS10. Borrowers will ensure that subprojects are structured to meet national regulatory requirements relating to environmental and social risks and impacts, and where subprojects are classified as <i>High Risk or Substantial Risk</i> , they are also structured to meet ESSs 1 to 8 and ESS10. ...
27	29, 36	Where the ESCP requires the Borrower to plan or take specific measures and actions over a specified timeframe to avoid, minimize, reduce or mitigate specific risks and impacts of the project, the Borrower will not carry out any activities in relation to the project that may cause material or significant adverse environmental or social risks or impacts until the <b>Board determines that</b> relevant plans or actions have been completed and (where necessary) implemented to the satisfaction of the Bank.	Where the ESCP requires the Borrower to plan or take specific measures and actions over a specified timeframe to avoid, minimize, reduce or mitigate specific risks and impacts of the project, the Borrower will not carry out any activities in relation to the project that may cause material or significant adverse environmental or social risks or impacts until the Board determines that relevant plans or actions have been completed and (where necessary) implemented to the satisfaction of the Bank.
28	31, 51	The Borrower will provide regular reports as set out in the ESCP (in any event, no less than annually) to the Bank of the results of the monitoring. Such reports will provide an accurate and objective record of project implementation, including compliance with the ESCP and the requirements of the ESSs, <b>and shall be made publically available.</b>	The Borrower will provide regular reports as set out in the ESCP (in any event, no less than annually) to the Bank of the results of the monitoring. Such reports will provide an accurate and objective record of project implementation, including compliance with the ESCP and the requirements of the ESSs, and shall be made publically available.

## ESS 2. Labor and Working Conditions

[no suggestions as this is not our area of expertise]

## ESS 3. Resource Efficiency and Pollution Prevention

#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
29	41, 5	In addition to the resource efficiency measures described above, the Borrower will consider alternatives and implement <del>technically and financially</del> feasible and <del>cost-effective</del> options to reduce project-related GHG emissions during the design and operation of the project.	In addition to the resource efficiency measures described above, the Borrower will consider alternatives and implement feasible options to reduce project-related GHG emissions during the design and operation of the project.

30	41, 6	For projects that are expected to or currently produce more than 25,000 tonnes of CO2-equivalent annually, <sup>7</sup> the Borrower will, <del>where technically and financially feasible,</del> quantify direct emissions from the facilities owned or controlled within the physical project boundary, <sup>8</sup> as well as indirect emissions associated with off-site production of energy <sup>9</sup> used by the project.	For projects that are expected to or currently produce more than 25,000 tonnes of CO2-equivalent annually, <sup>7</sup> the Borrower will quantify direct emissions from the facilities owned or controlled within the physical project boundary, <sup>8</sup> as well as indirect emissions associated with off-site production of energy <sup>9</sup> used by the project.
31	41, fn 7	The quantification of emissions will consider all significant sources of <b>direct and indirect</b> GHG emissions, including <del>non-energy related sources such as methane and nitrous oxide, among others</del> <b>emissions of all seven greenhouse gases.</b>	The quantification of emissions will consider all significant sources of direct and indirect GHG emissions, including emissions of all seven greenhouse gases.
32	41, 9	The Borrower will assess, as part of the environmental and social assessment, the potential cumulative impacts of water use upon communities, other users, <del>and the environment</del> <b>ecosystems, and the services they provide,</b> and will demonstrate that the proposed water use is not likely to have adverse impacts on water resources.	The Borrower will assess, as part of the environmental and social assessment, the potential cumulative impacts of water use upon communities, other users, ecosystems and the services they provide, and will demonstrate that the proposed water use is not likely to have adverse impacts on water resources.
33	41, 12	To address potential adverse project impacts on existing ambient conditions, <sup>13</sup> the Borrower will consider relevant factors, including, for example: ... (b) the finite assimilative capacity <sup>14</sup> <del>of the environment</del> <b>ecosystems;</b> ...	To address potential adverse project impacts on existing ambient conditions, <sup>13</sup> the Borrower will consider relevant factors, including, for example: ... (b) the finite assimilative capacity <sup>14</sup> of ecosystems;...
34	45, 23	The Borrower will monitor <b>and publically report</b> environmental discharges and their impacts on the environment, project-affected communities and workers....	The Borrower will monitor and publically report environmental discharges and their impacts on the environment, project-affected communities and workers....

### ESS 4. Community Health and Safety

#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
35	NEW	<b><u>Climate Change</u></b> Climate change will have a significant impact on the wellbeing of many communities. For example, it may reduce or increase rainfall, and influence the presence of pests and vector-borne illnesses. The Borrower will seek to ensure that the project has a positive impact on community resilience to climate change. The Borrower will assess the likely impact that climate change will have on communities affected by the project and the impact that the project will have on these communities resilience to that change. The Borrower will design and implement the project to reduce this impact.	<b><u>Climate Change</u></b> Climate change will have a significant impact on the wellbeing of many communities. For example, it may reduce or increase rainfall, and influence the presence of pests and vector-borne illnesses. The Borrower will seek to ensure that the project has a positive impact on community resilience to climate change. The Borrower will assess the likely impact that climate change will have on communities affected by the project and the impact that the project will have on the community's resilience to that change. The Borrower will design and implement the project to reduce this impact.
36	48, 18-19	<del>Impacts on the Environment</del> <b><u>Ecosystem services</u></b> Because the project's direct impacts on the environment may result in adverse health and safety risks to and impacts on affected communities, <sup>3</sup> the Borrower will identify those potential risks and impacts and, where appropriate and feasible, consider how these may be exacerbated by climate change. Adverse impacts will be avoided, but if they are unavoidable, the Borrower will implement appropriate mitigation measures. <b>The project's direct impacts on priority ecosystem services may result in adverse health and safety risks and</b>	<b><u>Ecosystem services</u></b> The project's direct impacts on priority ecosystem services may result in adverse health and safety risks and impacts to Affected Communities. With respect to this ESS, ecosystem services are limited to provisioning and regulating services. For example, land use changes or the loss of natural buffer areas such as wetlands, mangroves, and upland forests that mitigate the effects of natural hazards such as flooding, landslides, and fire, may result in increased vulnerability and community safety-related risks and impacts. Where appropriate and feasible, the client

	<p><b>impacts to Affected Communities. With respect to this ESS, ecosystem services are limited to provisioning and regulating services. For example, land use changes or the loss of natural buffer areas such as wetlands, mangroves, and upland forests that mitigate the effects of natural hazards such as flooding, landslides, and fire, may result in increased vulnerability and community safety-related risks and impacts. Where appropriate and feasible, the client will identify those risks and potential impacts on priority ecosystem services that may be exacerbated by climate change. Adverse impacts should be avoided, and if these impacts are unavoidable, the client will implement mitigation measures.</b></p>	<p>will identify those risks and potential impacts on priority ecosystem services that may be exacerbated by climate change. Adverse impacts should be avoided, and if these impacts are unavoidable, the client will implement mitigation measures.</p>
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## ESS 5. Land Acquisition, Restrictions on Land Use & Involuntary Resettlement

#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
37	56, 4	<p>This ESS applies to permanent or temporary loss of land or assets, or restrictions on land use, resulting from the following types of land-related transactions: ...            (e) Restriction on access to <del>and/or</del> use of <b>land and the ecosystem services</b>,<sup>*</sup> <del>other resources</del> including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas;</p> <p><b>* Ecosystem services referred to in this ESS are equivalent to ecosystem provisioning services as described in ESS 6.</b></p>	<p>This ESS applies to permanent or temporary loss of land or assets, or restrictions on land use, resulting from the following types of land-related transactions: ...            (e) Restriction on access to and/or use of land and the ecosystem services,<sup>*</sup> including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas;</p> <p>* Ecosystem services referred to in this ESS are equivalent to ecosystem provisioning services as described in ESS 6.</p>
38	57, fn 10	<p>Subject to prior Bank approval, <b>and after the Bank conducts an independent investigation</b>, such an approach to land acquisition may be acceptable providing the Borrower demonstrates that: (a) affected persons or communities have been <del>fully appropriately</del> informed and consulted about the project and the choices available to them, including the compensation and other benefits that would be available to them under ESS5;</p>	<p>Subject to prior Bank approval, and after the Bank conducts an independent investigation, such an approach to land acquisition may be acceptable providing the Borrower demonstrates that: (a) affected persons or communities have been fully informed and consulted about the project and the choices available to them, including the compensation and other benefits that would be available to them under ESS5;</p>
39	57, 5	<p>This ESS does not apply to:...</p> <p><del>(d) Land titling/regularization activities</del></p> <p>(e) Regulation or planning of natural resources or land use on a regional or national level to promote sustainability.</p>	<p>This ESS does not apply to:...</p> <p>(d) Regulation or planning of natural resources or land use on a regional or national level to promote sustainability.</p>
40	58, 6	<p>6. Affected persons may be classified as persons:...</p> <p>The census <b>set forth in paragraph 16 of this Standard</b> will establish the status of the affected persons.</p>	<p>6. Affected persons may be classified as persons: ...</p> <p>The census set forth in paragraph 16 of this Standard will establish the status of the affected persons.</p>
41	58, fn 13	<p>Such claims could be derived from adverse possession or from customary or traditional tenure arrangements, <b>with respect to the latter, including both primary and secondary tenure rights such as those held by women and other marginalized groups.</b></p>	<p>Such claims could be derived from adverse possession or from customary or traditional tenure arrangements, with respect to the latter, including both primary and secondary tenure rights such as those held by women and other marginalized groups.</p>
42	59, 7	<p>. . . The Borrower will consider feasible alternative project designs to avoid or minimize land acquisitions or restrictions on land use...paying particular attention to <b>gender impacts and</b> impacts on the poor and vulnerable.</p>	<p>. . . The Borrower will consider feasible alternative project designs to avoid or minimize land acquisitions or restrictions on land use... paying particular attention to gender impacts and impacts on the poor and vulnerable.</p>

43	60, fn 16	The consultation should ensure that <del>women's</del> perspectives <b>of women representing all socio-economic categories</b> are obtained and their interests factored into all aspects of resettlement planning and implementation...	The consultation should ensure that perspectives of women representing all socio-economic categories are obtained and their interests factored into all aspects of resettlement planning and implementation...
44	60, 15	<i>(New footnote)</i> <b>The Borrower shall ensure that project-specific grievance mechanisms, whether primary or supplementary to existing formal or informal grievance mechanisms, are gender inclusive.</b>	<i>(New footnote)</i> The Borrower shall ensure that project-specific grievance mechanisms, whether primary or supplementary to existing formal or informal grievance mechanisms, are gender inclusive.
45	61, 19	<del>... Affected persons will be consulted during the monitoring process.</del> <b>The monitoring process must be participatory and include the inputs and perspectives of all affected persons, including women and men from all socio-economic categories....</b>	The monitoring process must be participatory and include the inputs and perspectives of all affected persons, including women and men from all socio-economic categories....
46	62, 22	... Particular attention will be paid to <b>gender aspects and</b> the needs of the poor and vulnerable. The Borrower will document all transactions. . .	... Particular attention will be paid to gender aspects and the needs of the poor and vulnerable. The Borrower will document all transactions. . .
47	62, 23	... Existing social and cultural institutions of the displaced persons and any host communities will be respected. <b>The Borrower will ensure that project-specific mechanisms and institutions do not work to disadvantage women or exacerbate existing gender disparities and contain alternatives to address gender inequality and enhance women's choices.</b>	... Existing social and cultural institutions of the displaced persons and any host communities will be respected. The Borrower will ensure that project-specific mechanisms and institutions do not work to disadvantage women or exacerbate existing gender disparities and contain alternatives to address gender inequality and enhance women's choices.
48	62, 24	Where livelihoods of displaced persons are derived primarily from land, compensation in kind will, where possible, be <b>offered</b> <del>considered</del> in lieu of cash.	Where livelihoods of displaced persons are derived primarily from land, compensation in kind will, where possible, be offered in lieu of cash.
49	63, 29	... The plan will establish entitlements of affected persons and/or communities, <b>paying particular attention to gender aspects and the needs of vulnerable segments of the community</b> , and will ensure that these <b>entitlements</b> are provided in a transparent, consistent, and equitable manner. . .	... The plan will establish entitlements of affected persons and/or communities, paying particular attention to gender aspects and the needs of vulnerable segments of the community, and will ensure that these entitlements are provided in a transparent, consistent, and equitable manner. . .

## ESS 6. Biodiversity Conservation & Sustainable Management of Living Natural Resources

#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
50	66, 1	ESS6 recognizes that protecting and conserving biodiversity, <b>maintaining ecosystem services</b> , and sustainably managing living natural resources are fundamental to sustainable development.... <b>Ecosystem services are the benefits that people, including businesses, derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems; and (iv) supporting services, which are the natural processes that maintain the other services.</b> <sup>x</sup> <b>Ecosystem services valued by humans are often underpinned by biodiversity but not always.</b>	ESS6 recognizes that protecting and conserving biodiversity, maintaining ecosystem services, and sustainably managing living natural resources are fundamental to sustainable development. .... Ecosystem services are the benefits that people, including businesses, derive from ecosystems. Ecosystem services are organized into four types: (i) provisioning services, which are the products people obtain from ecosystems; (ii) regulating services, which are the benefits people obtain from the regulation of ecosystem processes; (iii) cultural services, which are the nonmaterial benefits people obtain from ecosystems; and (iv) supporting services, which are the natural processes that maintain the other services. <sup>x</sup> Ecosystem services valued by humans are often underpinned by biodiversity but not always.

		<sup>x</sup> Examples are as follows: (i) provisioning services may include food, freshwater, timber, fibers, medicinal plants; (ii) regulating services may include surface water purification, carbon storage and sequestration, climate regulation, protection from natural hazards; (iii) cultural services may include natural areas that are sacred sites and areas of importance for recreation and aesthetic enjoyment; and (iv) supporting services may include soil formation, nutrient cycling, primary production.	<sup>x</sup> Examples are as follows: (i) provisioning services may include food, freshwater, timber, fibers, medicinal plants; (ii) regulating services may include surface water purification, carbon storage and sequestration, climate regulation, protection from natural hazards; (iii) cultural services may include natural areas that are sacred sites and areas of importance for recreation and aesthetic enjoyment; and (iv) supporting services may include soil formation, nutrient cycling, primary production.
51	66, 3	ESS6 also addresses the need to consider the livelihood of Indigenous Peoples and affected communities whose access to, or use of, biodiversity or <del>living-natural resources</del> <b>ecosystem services</b> may be affected by a project. The potential, positive role of Indigenous Peoples and affected communities in biodiversity conservation and sustainable management of <del>living-natural resources</del> <b>ecosystem services</b> will also be considered.	ESS6 also addresses the need to consider the livelihood of Indigenous Peoples and affected communities whose access to, or use of, biodiversity or ecosystem services may be affected by a project. The potential, positive role of Indigenous Peoples and affected communities in biodiversity conservation and sustainable management of ecosystem services will also v be considered.
52	66, n/a	<u>Objectives</u> <ul style="list-style-type: none"> <li>To maintain the benefits from ecosystem services.</li> </ul>	<u>Objectives</u> <ul style="list-style-type: none"> <li>To maintain the benefits from ecosystem services.</li> </ul>
53	66, 5	Based on the environmental and social assessment, the requirements of this ESS are applied to all projects that potentially affect biodiversity, either positively or negatively, or depend on biodiversity <b>and ecosystem services</b> for their success.	Based on the environmental and social assessment, the requirements of this ESS are applied to all projects that potentially affect, either positively or negatively, or depend on biodiversity and ecosystem services for their success.
54	67, 8	The environmental and social assessment as set out in ESS1 will consider direct and indirect project-related impacts on biodiversity <b>and ecosystem services</b> . This process will consider threats to biodiversity <b>and ecosystem services</b> , for example habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, pollution and incidental take, as well as projected climate change impacts. It will also take into account the differing values attached to biodiversity <b>and ecosystem services</b> by affected communities and other stakeholders.	The environmental and social assessment as set out in ESS1 will consider direct and indirect project-related impacts on biodiversity and ecosystem services. This process will consider threats to biodiversity and ecosystem services, for example habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, pollution and incidental take, as well as projected climate change impacts. It will also take into account the differing values attached to biodiversity and ecosystem services by affected communities and other stakeholders.
55	67, 9	The Borrower will avoid adverse impacts on biodiversity <b>and ecosystem services</b> . When avoidance of adverse impacts is not possible, the Borrower will implement measures to minimize adverse impacts and restore biodiversity <b>and ecosystem services</b> .	The Borrower will avoid adverse impacts on biodiversity and ecosystem services. When avoidance of adverse impacts is not possible, the Borrower will implement measures to minimize adverse impacts and restore biodiversity and ecosystem services.
56	68, 13	Where applicable, the assessment will consider the use of and dependence on natural resources <b>and ecosystem services</b> by Indigenous Peoples and affected communities who live in or around the project area and whose use of <b>and/or access to</b> biodiversity resources <b>and ecosystem services</b> may be affected by the project, as well as their potential role in the conservation and sustainable use of such <del>biodiversity</del> resources.	Where applicable, the assessment will consider the use of and dependence on natural resources and ecosystem services by Indigenous Peoples and affected communities who live in or around the project area and whose use of and/or access to biodiversity resources and ecosystem services may be affected by the project, as well as their potential role in the conservation and sustainable use of such resources.
57	68, 14	Where the assessment has identified potential impacts to biodiversity <b>and ecosystem services</b> , the Borrower will manage these impacts in accordance with the mitigation hierarchy and GIIP.	Where the assessment has identified potential impacts to biodiversity and ecosystem services, the Borrower will manage these impacts in accordance with the mitigation hierarchy and GIIP.

58	68, 15	<p>For the protection and conservation of biodiversity, the mitigation hierarchy includes biodiversity offsets, which will be considered only after appropriate avoidance, minimization, and restoration measures have been applied. A biodiversity offset will be designed and implemented to achieve measurable conservation outcomes that can reasonably be expected to result in no net loss and preferably a net gain of biodiversity; in the case of critical habitats, a net gain is required. The design of a biodiversity offset will adhere to the “like for like or better” principle and will be carried out in alignment with GIMP. When a Borrower is considering the development of an offset as part of the mitigation strategy, external experts with knowledge in offset design and implementation will be involved.</p>	
59	69, 17	<p>Where the habitat to be adversely affected by the project is considered to be a critical habitat, such habitat will not be further converted or degraded to the extent that its ecological integrity or biodiversity importance is compromised.</p>	<p>Where the habitat to be adversely affected by the project is considered to be a critical habitat, such habitat will not be further converted or degraded.</p>
60	70, 19	<p><b>Biodiversity offsets shall not be used for critical habitats.</b> In instances where biodiversity offsets are proposed as part of the mitigation hierarchy, the Borrower will demonstrate through an assessment that the project’s significant residual adverse impacts on biodiversity will be adequately mitigated to meet the conditions of paragraph 17.</p>	<p>Biodiversity offsets shall not be used for critical habitats.</p>
61	NEW	<p><b><u>Management of Ecosystem Services</u></b>  <b>XX. Where a project is likely to adversely impact ecosystem services, the client will conduct a systematic review to identify priority ecosystem services. Priority ecosystem services are two-fold: (i) those services on which project operations are most likely to have an impact and, therefore, which result in adverse impacts on affected communities; and (ii) those services on which the project is directly dependent for its operations (e.g., water). When Affected Communities are likely to be impacted, they should participate in the determination of priority ecosystem services in accordance with the stakeholder engagement process as defined in ESS 10.</b></p> <p><b>YY. With respect to impacts on priority ecosystem services of relevance to affected communities, adverse impacts should be avoided. If these impacts are unavoidable, the client will minimize them and implement mitigation measures that aim to maintain the value and functionality of priority services. With respect to impacts on priority ecosystem services on which the project depends, clients should minimize impacts on ecosystem services and implement measures that increase resource efficiency of their operations.</b></p>	<p><b><u>Management of Ecosystem Services</u></b>  <b>XX. Where a project is likely to adversely impact ecosystem services, the client will conduct a systematic review to identify priority ecosystem services. Priority ecosystem services are two-fold: (i) those services on which project operations are most likely to have an impact and, therefore, which result in adverse impacts on affected communities; and (ii) those services on which the project is directly dependent for its operations (e.g., water). When Affected Communities are likely to be impacted, they should participate in the determination of priority ecosystem services in accordance with the stakeholder engagement process as defined in ESS 10.</b></p> <p><b>YY. With respect to impacts on priority ecosystem services of relevance to affected communities, adverse impacts should be avoided. If these impacts are unavoidable, the client will minimize them and implement mitigation measures that aim to maintain the value and functionality of priority services. With respect to impacts on priority ecosystem services on which the project depends, clients should minimize impacts on ecosystem services and implement measures that increase resource efficiency of their operations.</b></p>

**ESS 7. Indigenous Peoples**

#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
62	78, 18	(b) Provide sufficient time for Indigenous Peoples' decision-making processes, <b>and when necessary, support for securing independent technical and legal advisors, as well as training for segments of the community, including women and other marginalized segments, to enable all stakeholders to participate effectively and meaningfully in the consultation process.</b>	(b) Provide sufficient time for Indigenous Peoples' decision-making processes, and when necessary, support for securing independent technical and legal advisors, as well as training for segments of the community, including women and other marginalized groups, to enable them to participate effectively and meaningfully in the consultation process.
63	79, 20	(d) FPIC does not require unanimity and may be achieved even when individuals or groups within or among affected Indigenous Peoples explicitly disagree, <b>provided the consultation process involves all stakeholders and is gender and inter-generationally inclusive.</b>	(d) FPIC does not require unanimity and may be achieved even when individuals or groups within or among affected Indigenous Peoples explicitly disagree, provided the consultation process involves all stakeholders and is gender and inter-generationally inclusive.
64	79, 23	<p>... Where projects are likely to have significant impacts on land that is traditionally owned or under customary use or occupation by Indigenous Peoples, the Borrower will prepare a plan for legal recognition of their <b>ownership</b> or perpetual or long-term renewable custodial or use rights.</p> <p><sup>10</sup> Examples include marine and aquatic resources, timber and non-timber forest products, medicinal plants, hunting and gathering grounds, and grazing and cropping areas. <b>Natural resource assets, as referred to in this ESS, are equivalent to provisioning ecosystem services as described in ESS 6.</b></p>	<p>...Where projects are likely to have significant impacts on land that is traditionally owned or under customary use or occupation by Indigenous Peoples, the Borrower will prepare a plan for legal recognition of their perpetual ownership rights.</p> <p><sup>10</sup> Examples include marine and aquatic resources, timber and non-timber forest products, medicinal plants, hunting and gathering grounds, and grazing and cropping areas. Natural resource assets, as referred to in this ESS, are equivalent to provisioning ecosystem services as described in ESS 6.</p>
65	80, 24	<p>(b) Document efforts to avoid and otherwise minimize impacts on natural resources subject to traditional ownership or customary use or occupation, <b>and natural areas of importance<sup>x</sup> to Indigenous People;</b></p> <p>(c) Identify and review all property interests, tenurial arrangements (<b>including secondary or subsidiary tenure rights, for example, as held by women</b>), and traditional resource usage prior to purchasing, leasing or, as a last resort, undertaking land acquisition.</p> <p>...</p> <p>(f) Where a project promotes commercial development of their land or resources, afford due process, and offer compensation together with culturally appropriate <b>and gender and inter-generationally inclusive</b> sustainable development opportunities to Indigenous Peoples, at least equivalent to that to which any landowners with full legal title to the land would be entitled. . .</p> <p><b><sup>x</sup>“Natural resources and natural areas of importance” as referred to in this ESS are equivalent to priority ecosystem services as defined in ESS 6. They refer to those services over which the client has direct management control or significant influence, and those services most likely to be sources of risk in terms of impacts on affected communities of Indigenous Peoples.</b></p>	<p>(b) Document efforts to avoid and otherwise minimize impacts on natural resources subject to traditional ownership or customary use or occupation, and natural areas of importance<sup>x</sup> to Indigenous People;</p> <p>(c) Identify and review all property interests, tenurial arrangements (including secondary or subsidiary tenure rights, for example, as held by women), and traditional resource usage prior to purchasing, leasing or, as a last resort, undertaking land acquisition.</p> <p>...</p> <p>(f) Where a project promotes commercial development of their land or resources, afford due process, and offer compensation together with culturally appropriate and gender and inter-generationally inclusive sustainable development opportunities to Indigenous Peoples, at least equivalent to that to which any landowners with full legal title to the land would be entitled. . .</p> <p><sup>x</sup>“Natural resources and natural areas of importance” as referred to in this ESS are equivalent to priority ecosystem services as defined in ESS 6. They refer to those services over which the client has direct management control or significant influence, and those services most likely to be sources of risk in terms of impacts on affected communities of Indigenous Peoples.</p>

66	82, 29	The determination, delivery, and distribution of compensation and shared benefits to affected Indigenous Peoples will take account of the laws, institutions, and customs of these Indigenous Peoples as well as their level of interaction with mainstream society, <b>and will be gender and inter-generationally inclusive.</b>	The determination, delivery, and distribution of compensation and shared benefits to affected Indigenous Peoples will take account of the laws, institutions, and customs of these Indigenous Peoples as well as their level of interaction with mainstream society, and will be gender and inter-generationally inclusive.
67	82, 30	. . . Identified opportunities will aim to address the goals and preferences of the Indigenous Peoples, including improving their standard of living and livelihoods in a culturally appropriate and <b>gender and inter-generationally inclusive</b> manner, and to foster the long-term sustainability of the natural resources on which they depend.	. . . Identified opportunities will aim to address the goals and preferences of the Indigenous Peoples, including improving their standard of living and livelihoods in a culturally appropriate and gender and inter-generationally inclusive manner, and to foster the long-term sustainability of the natural resources on which they depend.
68	82, 31	The Borrower will ensure that a grievance mechanism is established for the project, as described in ESS10, which is culturally appropriate and accessible to affected Indigenous Peoples, <b>including women and marginalized segments within the community</b> , and takes into account the availability of judicial recourse and customary dispute settlement mechanisms among Indigenous Peoples.	The Borrower will ensure that a grievance mechanism is established for the project, as described in ESS10, which is culturally appropriate and accessible to affected Indigenous Peoples, including women and marginalized segments within the community, and takes into account the availability of judicial recourse and customary dispute settlement mechanisms among Indigenous Peoples.

### ESS 8. Cultural Heritage

#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
69	85, 8	The environmental and social assessment, as set out in ESS1, will consider direct, indirect and cumulative project-specific impacts on cultural heritage, <b>including any ecosystem processes<sup>x</sup> needed to support it.</b> Through the environmental and social assessment, the Borrower will determine whether the proposed activities of the project are in areas where cultural heritage exists, or is likely to exist.  <b>* Consistent with requirements in ESS 6 related to ecosystem services and conservation of biodiversity.</b>	The environmental and social assessment, as set out in ESS1, will consider direct, indirect and cumulative project-specific impacts on cultural heritage, including any ecosystem processes <sup>x</sup> needed to support it. Through the environmental and social assessment, the Borrower will determine whether the proposed activities of the project are in areas where cultural heritage exists, or is likely to exist.  * Consistent with requirements in ESS 6 related to ecosystem services and conservation of biodiversity.

### ESS 9. Financial Intermediaries

#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
70	89, 7	Where the FI proposes to provide financing to subprojects that will be classified as <i>High Risk</i> or <b>Substantial Risk</b> , such subprojects will also be structured to meet ESSs1 to 8 and ESS10.	Where the FI proposes to provide financing to subprojects that will be classified as <i>High Risk</i> or <i>Substantial Risk</i> , such subprojects will also be structured to meet ESSs1 to 8 and ESS10.
71	90, 14	(c) Require sub-borrowers to undertake environmental and social assessment of proposed subprojects commensurate with national law and the identified environmental and social risks and impacts; where a subproject is classified as <i>High Risk</i> or <b>Substantial Risk</b> , the environmental and social assessment will be consistent with ESSs1 to 8 and ESS10;	(c) Require sub-borrowers to undertake environmental and social assessment of proposed subprojects commensurate with national law and the identified environmental and social risks and impacts; where a subproject is classified as <i>High Risk</i> or <i>Substantial Risk</i> , the environmental and social assessment will be consistent with ESSs1 to 8 and ESS10;

72	91, 14	(d) Ensure that subprojects are structured to meet national regulatory requirements relating to environmental and social risks and impacts and that where subprojects are classified as <i>High Risk</i> or <b>Substantial Risk</b> , they are also structured to meet ESSs1 to 8 and ESS10;	(d) Ensure that subprojects are structured to meet national regulatory requirements relating to environmental and social risks and impacts and that where subprojects are classified as <i>High Risk</i> or <i>Substantial Risk</i> , they are also structured to meet ESSs1 to 8 and ESS10;
73	91, 17	...The FI will list on its website the link to any environmental and social assessment reports for <del>High Risk</del> subprojects which it finances.	...The FI will list on its website the link to any environmental and social assessment reports for subprojects which it finances.
<b>ESS 10. Information Disclosure and Stakeholder Engagement</b>			
#	pg, para	Text w/ Changes Tracked	Clean Suggested Text
74	93, 10	...If communities may be affected by environmental or social impacts from the project, the Borrower will provide them with access to the following information <b>prior to finalizing the plans for the project</b> ...	...If communities may be affected by environmental or social impacts from the project, the Borrower will provide them with access to the following information prior to finalizing the plans for the project...
75	97, 23	(a) The grievance mechanism, process or procedure is expected to address concerns promptly and effectively, in a transparent manner that is culturally appropriate, <b>gender-sensitive</b> , and readily accessible to all segments of the project affected communities...	(a) The grievance mechanism, process or procedure is expected to address concerns promptly and effectively, in a transparent manner that is culturally appropriate, gender-sensitive, and readily accessible to all segments of the project affected communities...
76	97, 24	The Borrower will define clear roles, responsibilities and authority as well as designate specific personnel, <b>with proportionate gender representation</b> , to be responsible for the implementation and monitoring of stakeholder engagement activities and compliance with this ESS.	The Borrower will define clear roles, responsibilities and authority as well as designate specific personnel, with proportionate gender representation, to be responsible for the implementation and monitoring of stakeholder engagement activities and compliance with this ESS.