



Review and Update of the World Bank's Safeguard Policies

Consultation Meeting with Governmental Organizations and Executing Agencies of Bank funded Projects, Buenos Aires (Argentina)

13 March 2013

Contributions were made by the following organizations in attendance:

Environment and Sustainable Development Secretariat of Argentina, Climate Change Network, Ministry of Labor of Argentina, Program of Provincial Agricultural Services and Rural Transformation Unit (PROSAP-UCAR); Public Health Essential Services Project (FESP); National Road Network Department (DNV); Norte Grande Project; Sustainable Management of Natural Resources Project – Development of Sustainable Activities in National Parks; Provincial Organization for the Sustainable Development of the Province of Buenos Aires, International Cooperation Area; Urban Solid Waste Integrated Management Project (GIRSU); Road Network of the Province of Cordoba; Ministry of Justice; National Rural Land Registry; Provincial Department of the Public Services of Water and Sewage, Buenos Aires Province (DIPAC); Ministry of the Economy of Argentina; National Department for the Coordination of Projects with International Funding.

The following is a summary of the outstanding issues raised by participants in relation to specific aspects of the review/update of the current safeguard policies, as well as to the new social and environmental management approach and established reform process:

- Further action should be taken, as a matter of urgency, to recognize country systems and bring them into alignment with the safeguards. The specific circumstances of each country should be taken into account, including the complexities inherent in a federal system of government, as in the case of Argentina. The “Gap Analysis” carried out in Argentina is a good element to be borne in mind when addressing this question. Appropriate linkages must be made between the national and regional levels. Emphasis should be placed on capacity building within the public sector.
- Workshop methodologies should be included with a view to improving the consultation process for the safeguard review. This could facilitate the exchange of views and the building of consensus.
- At times, conflicts arise due to a mutual lack of knowledge among the various stakeholders, based on the opinions that people hold as a result of their particular

vantage point. Conflicts also arise from the way in which interactions in federal spheres are managed. Public consultation mechanisms should therefore be improved to take account of these differences.

- Efforts should be made to unite the objectives and requirements of the public and private sectors, as these are often divergent.
- Greater flexibility is needed in procedures for implementing safeguards, so as to maximize benefits without inhibiting or complicating project implementation. A system such as that of the IFC is considered more appropriate, as it is more oriented towards principles that must be respected and more flexible in its procedures.
- Safeguards must make a clear distinction between principles and procedures, and must also clearly indicate how these are applied in project preparation. At present, principles and procedures are prescriptive, like imposed rules (which goes against the very spirit of Safeguards), while at the same time they are open to interpretation by the specialist implementing them, or by the Bank Task Team Leader directing the project. Policies must have a stronger scientific basis and clear procedures and not be open to subjective interpretation. Procedures for the application of safeguards should take account of the differences between the various types of projects (infrastructure, policy generation, etc.). Furthermore, a distinction should be made between policies and good practices.
- The capacity of Bank specialists should be strengthened, to improve their ability to apply the safeguards.
- Greater emphasis should be placed on safeguard efficiency rather than on their effectiveness, as is the view commonly voiced. If this reform process leads to increased requirements for more comprehensive and integral safeguards, project preparation could become more complicated, and there could be a tendency to select simple projects that are easier and quicker to prepare. (Safeguards can involve extensive work in the preparation stage, a period when decisions must be taken with a view to deadlines, which are usually short). It must be stressed that there should be an integral approach to projects, so that in the initial project assessment, the benefits and viability are considered in all of their dimensions: economic, technical, environmental and social.
- Agencies find it difficult in the preparatory stage to mobilize the resources needed to fund all of the necessary studies, including those for safeguards. This could be critical. The situation is further complicated when provinces, in order to participate in a given project, are required to carry out these studies (in which case, the responsibility for funding project preparation is transferred to them). There should be operators responsible for developing baseline studies, and this should be provided for in the safeguards.

- From the very outset (the project design stage), thought should be given to financing the actions required under the safeguards as a specific component, so that the resources from the loan may be used during the implementation of the project. Additional funding may be required for safeguard application.
- With regard to safeguards, an approach which focuses more on the maximization of benefits than on impact mitigation can involve considerable expenditure. This type of approach (which is the one followed in the current Indigenous Peoples policy), has meant that the projected cost of the project, including improvements, exceeds the Bank's requirements for an economic assessment of the project (rate of return).
- Costs associated with safeguards should therefore either be removed from the economic assessment or alternatively, impact mitigation and the cost of benefit enhancement measures should be internalized. Usually, the economic assessment takes account of direct costs; occasionally and at most, avoided costs are also taken into account. However, attention should also be given to benefits; for example, health benefits as a result of the installation of a sewage system. Furthermore, if a vulnerable group benefits from the implementation of a project, this should also give rise to a differential valuation, thus closing the economic equation.
- Safeguards should take account of all vulnerable groups, not only Indigenous Peoples, and should include policies specifically designed for these groups (for example, small farmers, campesinos, etc.).
- Safeguards give consideration to indigenous groups more as subjects of law rather than as vulnerable groups. Similar treatment should be accorded to farmers/campesinos, since to consider them only in terms of their vulnerability would be to discount their cultural wealth, skills and knowledge, which are comparable to that of Indigenous Peoples. By broadly labeling diverse groups as vulnerable, there is a risk that they will not be perceived as separate and distinct groups.
- Safeguards should include the question of the regularization of land ownership, taking into consideration the surface area of the country. An evaluation should be made of cadastral records (geo-referencing) and land ownership, to identify situations where rural dwellers and Indigenous Peoples are in positions of vulnerability or inequity, in order that these issues may be addressed.
- Improvements brought about by infrastructure works may mean an increase in land value. Consideration should be given to conducting updated fiscal valuations before the project and after completion, in order to take account of and obtain the generated appreciation in value as public resources for local governments.