



THE WORLD BANK

IBRD • IDA | WORLD BANK GROUP

Operations Policy & Country Services

Setting Standards for Sustainable Development

Update and Review of the
World Bank's Safeguard
Policies

Beveridge & Diamond
March 11, 2015
Washington D.C.

World Bank Group Commitment

*“The World Bank Group is committed to supporting countries in reducing poverty and building shared prosperity in a sustainable manner.”**

→ **To end poverty and promote shared prosperity** all aspects of social and environmental sustainability must be taken into consideration

→ **Protecting the environment and the world’s poorest and most vulnerable people** in our projects are central to this vision

Evolution of World Bank Safeguards



- Developed one by one over 20 years

- Coherent and systematic
- Clearer requirements
- Broader scope of protections

A Changing World

- Issues have changed dramatically over the last 20 years
- Ability to manage these issues have improved in middle income countries
- 2010 IEG evaluation [*Safeguards and Sustainability Policies in a Changing World: An Independent Evaluation of World Bank Group Experience*](#)
- World Bank's modernization effort – 14 Global Practices, 5 Cross Cutting Solutions Areas

Consultations



Phase 1: 2012/2013

- Views from stakeholders from over 40 countries
- Expert focus groups on 7 emerging areas
 - Land Tenure and Natural Resources
 - Free, Prior and Informed Consent of Indigenous Peoples
 - Labor and Occupational Health and Safety
 - Climate Change
 - Human Rights
 - Disability
 - Gender
- Dedicated Indigenous Peoples Dialogue
- Dialogue with project-affected communities

Phase 2: Consultation Process

- 65 countries, incl. 54 borrowing countries
- **Ended March 1, 2015**
 - 8 dedicated **Indigenous Peoples** consultations
 - 6 topical **expert consultations**: labor, biodiversity, non-discrimination, LGBT/SOGIE, cultural heritage, social risk
 - Synergies with large international meetings (e.g., World Conference on Indigenous Peoples, Civicus International Civil Society Week)
 - Bilateral meetings on request (email safeguardconsult@worldbank.org)
 - Public online consultations in February
 - Consultations and workshops with development partners (e.g., other MDBs) and international organizations (e.g., ILO)
- Meeting summaries and participant lists published on [website](#)
- Additional feedback channels (forum, comments on individual Standards) through [website](#)

Proposed Framework



The Proposed Framework

- **Will be revised** taking into account feedback
- Emphasis on risk management over the life of the project
- Broadens social assessment
- Greater **clarity** of the roles and responsibilities of the Bank and Borrower
- Increases **harmonization** with co-financiers
- Opens door wider to Third Party Monitoring and comprehensive use of Grievance Mechanisms

Framework Structure

World Bank Vision Statement on Sustainability

World Bank Responsibilities

Borrower Responsibilities

PROJECTS

Environmental and Social
Policy

procedures

mandatory

REVIEW and Due
Diligence

LEGAL
AGREEMENT
And
COMMITMENT
PLAN


ASSESSMENT and
Implementation


Environmental and Social
Standards 1-10

mandatory

Implementation Guidance
Information Management
Systems

Guidance Notes, Case
Studies and Tools

 Mandatory elements of the proposed Framework

 Non-mandatory elements of the proposed Framework

Bank and Borrower Roles

The Bank's role:

Bank “due diligence” responsible for:

- Review assessments and help Borrower to develop measures and actions required for compliance with standards
- Strengthen/ promote use of Borrower's environmental and social institutions and laws
- Agree with Borrower on the measures/ actions in the ESCP
- Support implementation of commitment plan

Borrower's Role:

Specified in the 10 Environmental and Social Standards.

- Borrower remains responsible for assessing, managing and monitoring environmental and social risks and impacts in Bank-financed projects
- Based on E&S assessment, Bank and borrower legally agree on specific Commitment Plan to mitigate risks (with clear timelines)

Borrower Requirements: Standards

Standard	Building on	Modernizing
ESS1: Assessment and Management of ESS Risks and Impacts	OP/BP4.01(Environmental Assessment)	Non-discrimination, adaptive management, time frame for compliance
ESS2: Labor and working conditions	OP/BP4.01 and EHS Guidelines	Prohibiting child labor and forced labor, focus on OHS, grievance mechanism
ESS3: Resource Efficiency and Pollution Prevention	OP4.09 (Pest Management) and EHS Guidelines	Efficient management of energy, water, and other resources and materials
ESS4: Community Health and Safety	OP/BP4.37 (Safety of Dams) and EHS Guidelines	Focus on risks and impacts on communities through design and safety of infrastructure, equipment, products, services, traffic, and hazardous materials
ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	OP/BP4.12 (Involuntary Resettlement)	Greater clarity on treatment of state land, land titling, access to common resources, voluntary transactions, force evictions
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	OP/BP4.04 (Natural Habitats) and OP/BP4.36 (Forests)	Requirement to assess and mitigate impacts on biodiversity and to sustainably manage living natural resources
ESS7: Indigenous Peoples	OP/BP4.10 (Indigenous Peoples)	Clearer definitions, introduction of FPIC in specified circumstances
ESS8: Cultural Heritage	OP/BP4.11 (Physical Cultural Resources)	Addresses intangible cultural heritage.
ESS9: Financial Intermediaries	OP/BP 4.01	Establish E&S procedures commensurate with FI nature, risk level and impact
ESS10: Information Disclosure and Stakeholder Engagement	Consolidates WB engagement provisions	Meaningful consultation, access to information and grievance redress



Complex issues



Non-Discrimination

Proposal

- Establishes non-discrimination as **core principle** in accordance with commitment to protecting the poor and other vulnerable groups from adverse impacts caused by World Bank-financed projects
 - Provides for stronger assessment of **discrimination toward individuals or groups**
- Non-discrimination principle addresses **gender**, physical or mental **disability**, **sexual orientation**, and **gender identity**, among other issues

Approach toward Use of Borrower Systems

- Paris Declaration on Aid Effectiveness (2005) – funding agencies should “use country systems ... to extent possible”
- World Bank policy on use of country systems (2005) – ‘equivalent and acceptability”
- IEG Report – WB policy overly prescriptive
- Major borrower’s view contrasts with views of civil society – conflict between national law and MDB standards?

Labor and Working Conditions

Proposal

- Prohibits **child and forced labor**, deepens worker health and **safety protections**
- Builds on national requirements
- Reference to collective bargaining and freedom of association.
- Incorporates principle of **non-discrimination/equal opportunity** in employment in Bank projects
 - Employment of project workers based on the principle of equal opportunity and **fair treatment**

Indigenous Peoples

Proposal

- Moves from Free, Prior, Informed, Consultation to Free, Prior and Informed **Consent** in key circumstances
- Addresses issues requested by Indigenous Peoples stakeholders:
 - **Voluntary Isolation**
 - **Pastoralism**
 - **Risk of internal conflict**
- Introduces alternative approach to help avoid internal conflict:
 - **Exception** rather than the rule, context specific, **open and accountable** process for consideration, approval of alternative approach by **World Bank** Board, Protects IPs using other ESSs

Land and Involuntary Resettlement

Proposal

- Maintains strength of current policy and its protection of those without title (“squatters”); land related issues addressed in several of the proposed Standards (introducing “food security” and “human security”)
- Makes all types of potential conflicts concerning land access an explicit focus of environmental and social assessment
- Avoid or minimize involuntary resettlement; no forced eviction; and mitigates any adverse impacts** through compensation and assistance

Climate

Proposal

- Climate addressed throughout standards to ensure assessment of climate impacts caused by and to projects and the environment and people
- Introduces requirement for GHG accounting at project level at greater than 25,000 tons/a
- Following mitigation hierarchy, requires implementation of energy and water efficiency and consumption measures

Climate Beyond Safeguards

Expert Group – “Bank’s strength to address climate goes far beyond the project level”. Efforts include:

- UNFCCC/GCF Support – WBG to catalyze private sector funds; applying to become first Implementing Entity of the GCF
- Climate Finance (Green Bonds, Climate Investment Funds, Carbon Funds).
- WB Green Bond issuance at \$ 8 bn since 2008, overall market in 2014 of \$ 35 bn. WBG helping expand the market with E and S criteria.
- Economic instruments – Carbon Pricing (taxes, cap and trade through the Partnership for Market Readiness), Subsidies (with IMF)
- “Turn Down the Heat” – effects of a 2 Degree World.

The Road to Paris

- “Protocol, another legal instrument or agreed outcome with legal force... applicable to all Parties”
- “Intended Nationally Determined Contributions” (INDCs) to show progression to current undertakings, without prejudice to legal form of agreement, (WBG may help)
- Operationalization of the GCF, with developed countries committed to provide up to \$ 100 billion in climate finance annually through 2020. WB identifies \$ 70 bn gap
- Debate over carbon pricing
- Focus on landscapes and forests - WB through BioCF, FCPF and Forest Investment Program towards operationalization of climate smart agriculture and REDD+; Pilot Auction Facility

Biodiversity

Proposal

- Strengthens existing safeguards through introducing **more specific and stringent** requirements for biodiversity conservation
- Integrates existing safeguards on forests and natural habitats and adds provisions on “living natural resources”, “invasive alien species”, “supply chain” and “animal husbandry” principles
- Ensures that Bank funds will not be used to finance or support projects that would involve a **significant conversion or degradation** of critical habitats – “precautionary approach”
- Allows offsets only in exceptional circumstances and as **last resort**

Human Rights

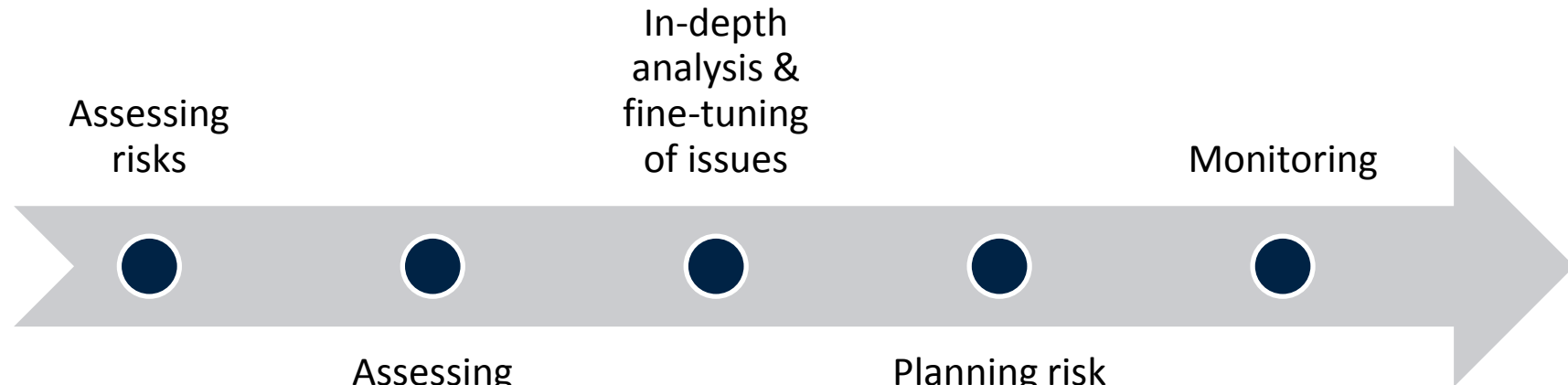
Proposal

- Makes clear that World Bank operations **support human rights** by enlarging the scope of the proposed standards through required assessment of a range of **issues that directly relate to human rights concerns** (such as non-discrimination, gender, disability, and children)
- Non-discrimination principle, Stakeholder Engagement Plan, Grievance Mechanism at project and corporate level.

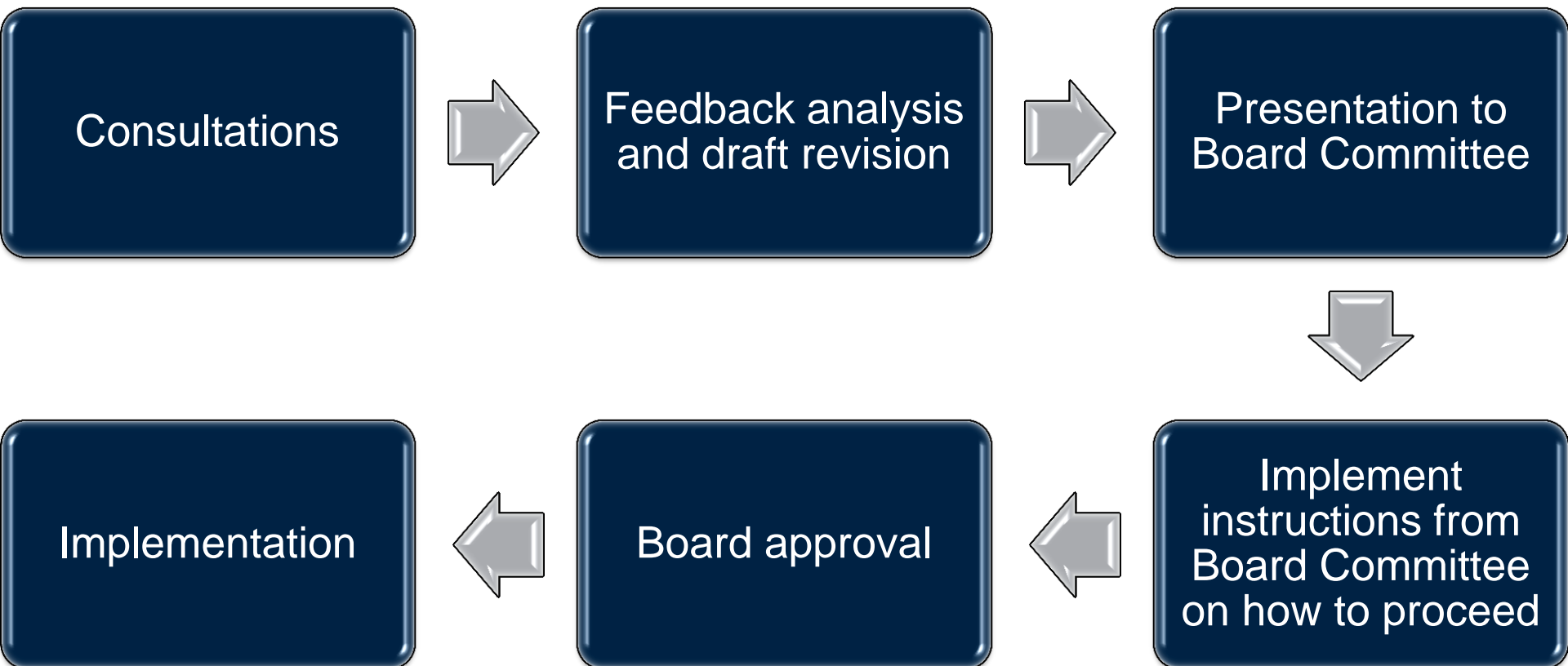
Adaptive Risk Management

Proposal

- **Rigorous upfront assessment** to determine the scope and significance of environmental and social impacts
- For some large and complicated projects, the content of certain risk instruments can be carried out **over time** (but well **in advance** of any activities that could have adverse impacts), provided that...
- Bank and Borrower to agree on Borrower environmental and social requirements in legally binding, time-bound **commitment plan**
- Requires that commitment plan is **fully developed and consulted on** prior to any project initiation with adverse impact
- Allows better risk management for **projects without physical footprint**



Next Steps



Website information:

safeguardconsult@worldbank.org

<http://consultations.worldbank.org/consultation/review-and-update-world-bank-safeguard-policies>

