



**THE WORLD BANK**

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Operations Policy & Country Services

# Setting Standards for Sustainable Development

Update and Review of the  
World Bank's Safeguard  
Policies

Why the Review?



# 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

# A Changing World

- Issues our clients face have changed dramatically over the last 20 years
- Many clients' as well as the World Bank's ability to manage these issues have significantly improved
- World Bank modernization effort
- 2010 IEG evaluation [\*Safeguards and Sustainability Policies in a Changing World: An Independent Evaluation of World Bank Group Experience\*](#)
- 2012/2013 multi-stakeholder consultation underlined need for change

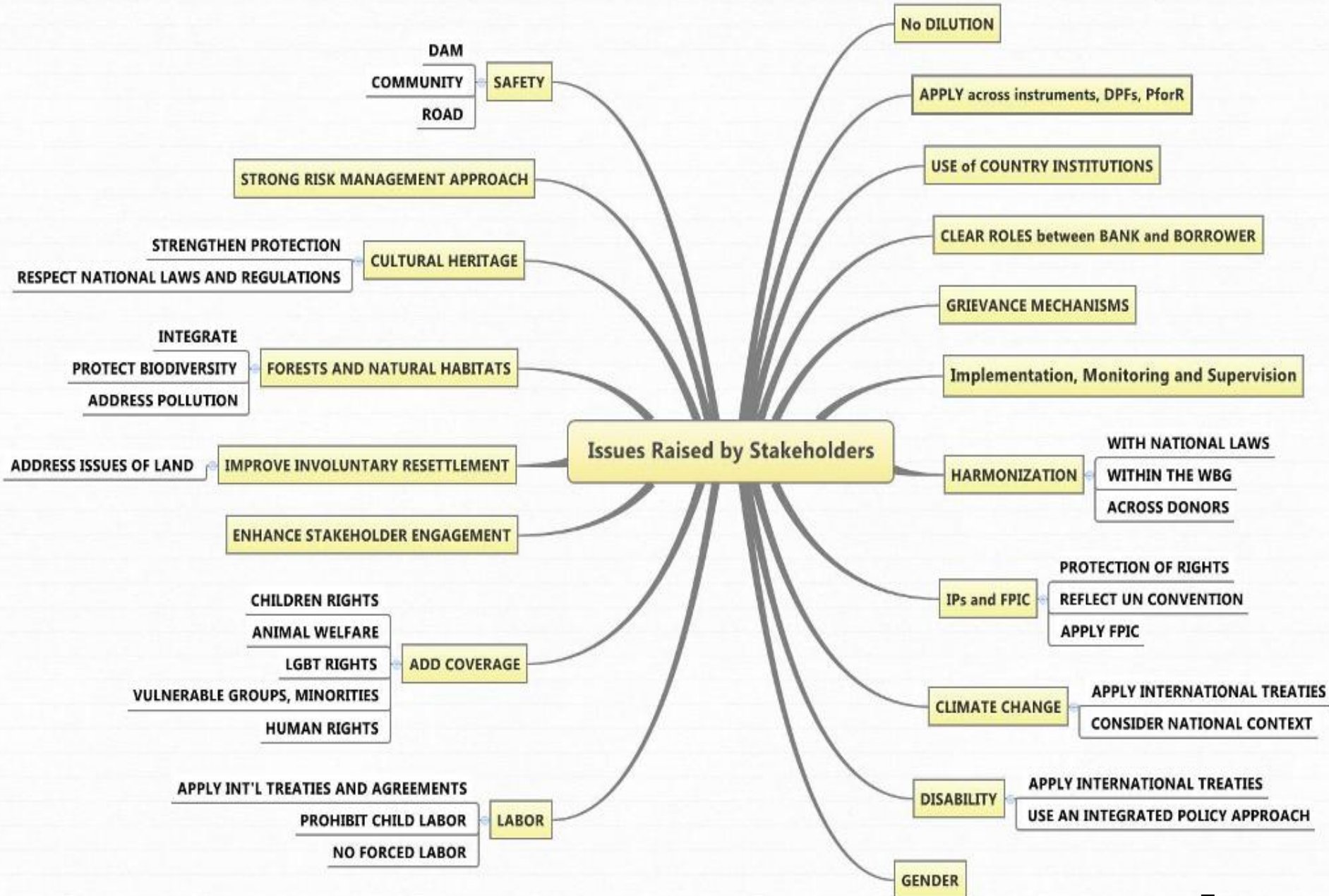
Consultations



# Phase 1: A Look Back to 2012/2013

- Views from stakeholders from over 40 countries (civil society, government, private sector, academia, development partners etc.)
- Written submissions from civil society organizations, governments, academia etc.
- 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 1: Main Issues Raised in Consultations



# Phase 2: Consultation Process

- 37 countries planned (TBC), incl. 25 borrowing countries
  - **Consultation phase extended**
    - Indicative country consultation schedule online, most countries confirmed
  - Dedicated **Indigenous Peoples** consultations
  - Topical **expert consultations**: labor, biodiversity, vulnerable groups
  - 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](mailto:safeguardconsult@worldbank.org))
  - Possibility of online public consultations in January
  - Consultations and workshops with development partners (e.g., other MDBs) and international organizations (e.g., ILO)
- Meeting summaries and participant lists to be published on [website](#)
- Additional feedback channels (forum, comments on individual Standards) through [website](#)



**Proposed Framework**



# Our Goal

Communities to receive **broader and enhanced protection** for their livelihoods and environment.

Implementers' projects to have **better development results** through outcomes-focused approach, improved design and improved implementation measures.

For the Bank, **stronger accountability** and new rules that will add **more social and environmental protection**.

# The Proposed Framework

- Builds on existing safeguards and **preserves Bank core values**
- Presents a **modernized, risk-based, outcomes-focused** approach to protecting the environment and people
- Puts strong emphasis on risk management and **achieving sustainable development outcomes** over the life of the project
- Broadens social assessment and management of **environmental and social risks**
- Provides greater **clarity** of the roles and responsibilities of the World Bank and Borrower
- Increases **harmonization** with development partners and recognized good international practices
- Renews and strengthens **partnership with borrowers**

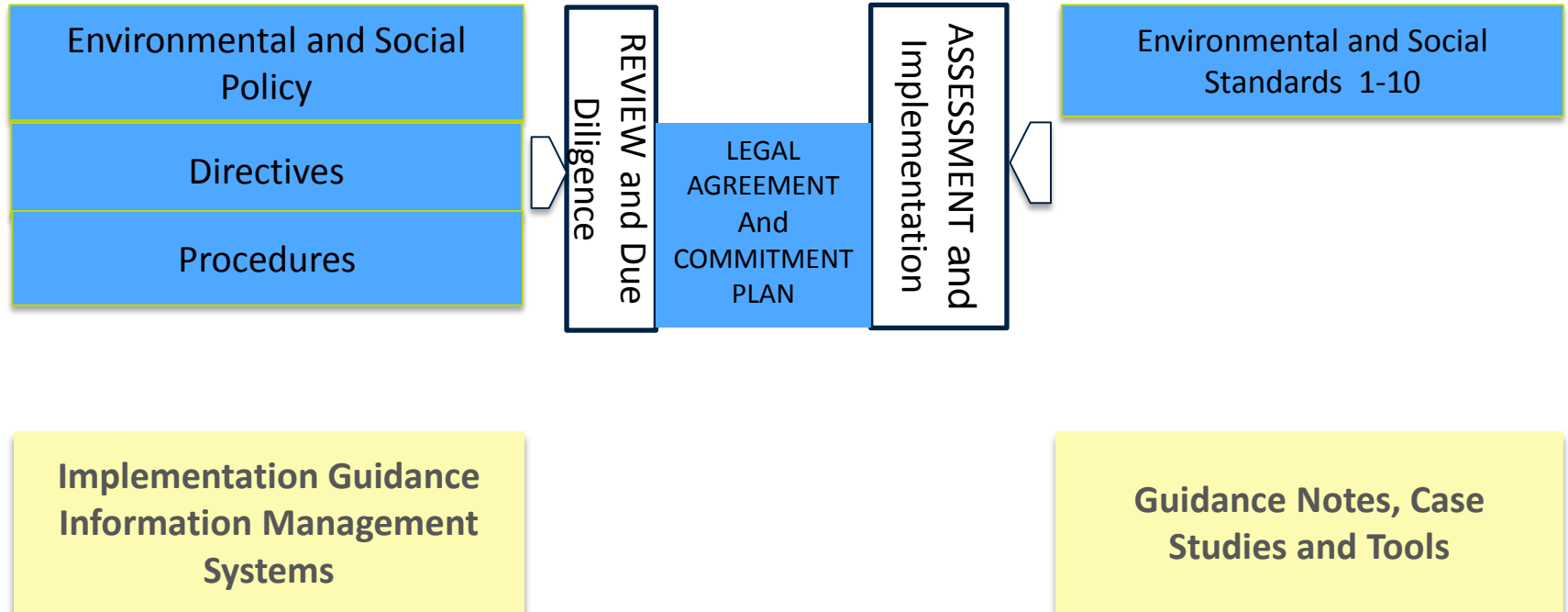
# Framework Structure

World Bank Vision Statement on Sustainability

## World Bank Responsibilities

## Borrower Responsibilities

PROJECTS



■ Mandatory elements of the proposed Framework

■ Non-mandatory elements of the proposed Framework

# Bank and Borrower Roles

## The Bank's role:

**Detailed in the proposed policy.  
Bank responsible for:**

- Reviewing assessments and helping Borrower to develop measures and actions required for compliance with standards
- Strengthening/ promoting use of Borrower's environmental and social institutions and laws
- Agreeing with Borrower on the measures/ actions in the ESCP
- Supporting rigorous implementation of commitment plan

## Borrower's Role:

**Specified in the 10 Environmental and Social Standards.**

- As now, borrowing country is responsible for assessing, managing and monitoring environmental and social risks and impacts in Bank-financed projects
- Based on E&S assessment, Bank and borrower would agree on specific Commitment Plan to mitigate risks (with clear timelines)

Main issues raised in consultations*	Draft Framework
Free, Prior, and Informed Consent (FPIC)	Introduces FPIC
Address children's rights	Prohibits child labor in Bank-funded projects, introduces enhanced social due diligence
Labor protections according to international models	Introduces labor standard with elements of ILO International Labor Standards
Non-discrimination as principle	Establishes non-discrimination as core principle
Integrated approach to disability issues	Includes disability in non-discrimination principle, introduces enhanced social due diligence
Integrated approach to gender issues	Includes gender in non-discrimination principle, introduces enhanced social due diligence
Integrated approach to SOGIE issues	Includes SOGIE in non-discrimination principle, introduces enhanced social due diligence
Instrument coverage	Introduces Standards that will apply to 75% of all World Bank operations; World Bank to conduct separate review of PforR and DPL with special attention to safeguards
Enhanced stakeholder engagement and better grievance mechanisms	Proposes dedicated Standard on stakeholder engagement, incl. grievance mechanisms, throughout project cycle

Main issues raised in consultations*	Draft framework
Human rights	Includes provisions throughout to help borrowers meet their human rights obligations and aspirations (while respecting that the World Bank cannot use the safeguards to enforce human rights)
Protect biodiversity	Introduces dedicated Standard on biodiversity protection and sustainable management of living natural resources
Address pollution and climate change issues	Introduces requirement for resource efficiency and pollution abatement, provides focus on greenhouse gas emissions
Capacity building and institution strengthening	Builds capacity through working with and improving Borrower environmental and social frameworks
Strong risk management approach	Introduces risk rating, requires adaptive risk management throughout project life cycle, enhances ability to identify and address risks that may arise after initial assessment
More focus on supervision and compliance	Introduces stronger focus on supervision and compliance, enhances project management and supervision requirements
Clearer roles and responsibilities of Bank and Borrower	Clearly defines roles/responsibilities of Bank and Borrower in each Standard
Harmonization	Increases harmonization with other MDBs and across WBG

Complex issues





# Non-Discrimination

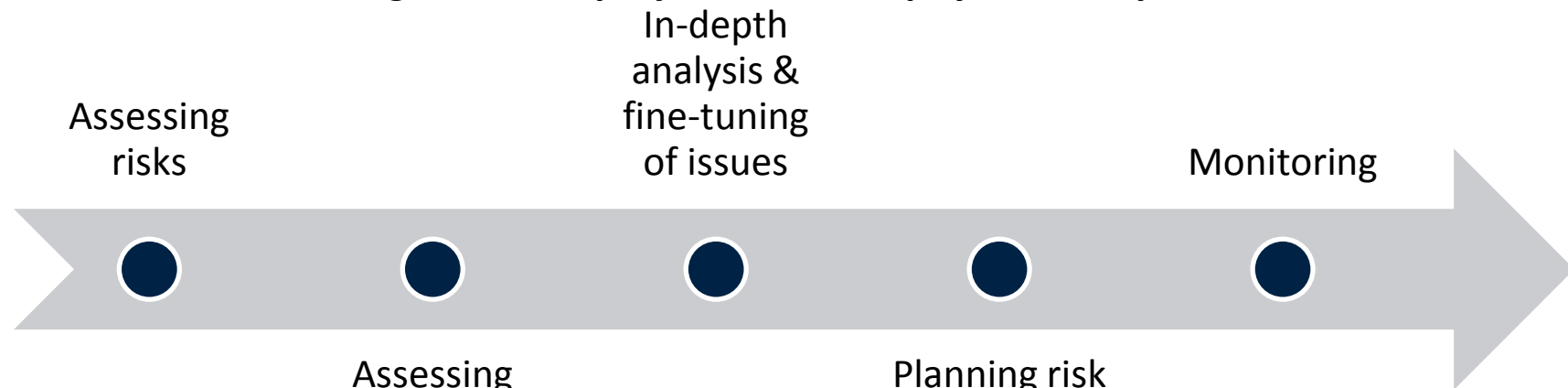
## Proposal

- 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**
  - Addresses discrimination
- Non-discrimination principle addresses **gender**, physical or mental **disability**, **sexual orientation**, and **gender identity**, among other issues

# Adaptive Risk Management

## Proposal

- Always requires **rigorous upfront assessment** to determine the scope and significance of environmental and social impacts
- Recognizes that for some large and complicated projects, the assessment of certain risks can be carried out **over time** (but well **in advance** of any activities that could have adverse impacts)
- Requires 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**



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Assessing  
Borrower  
E&S

Framework

Planning risk  
management

# Labor and Working Conditions

## Proposal

- Requires Borrowers to explicitly address **key labor-related issues**
- Prohibits **child and forced labor**
- Builds on national requirements
- 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; land issues addressed in several of the proposed Standards
- Acknowledges potential adverse impacts through project-related land acquisition and restrictions on land use
- Makes all types of potential conflicts concerning land access an explicit focus of environmental and social assessment
- Builds on existing protections and clarify protections related to land and involuntary resettlement
- Commits to supporting **land rights of Indigenous Peoples**
- **Avoids or minimizes involuntary resettlement; no forced eviction; and mitigates any adverse impacts** through compensation and assistance

# Human Rights

## Proposal

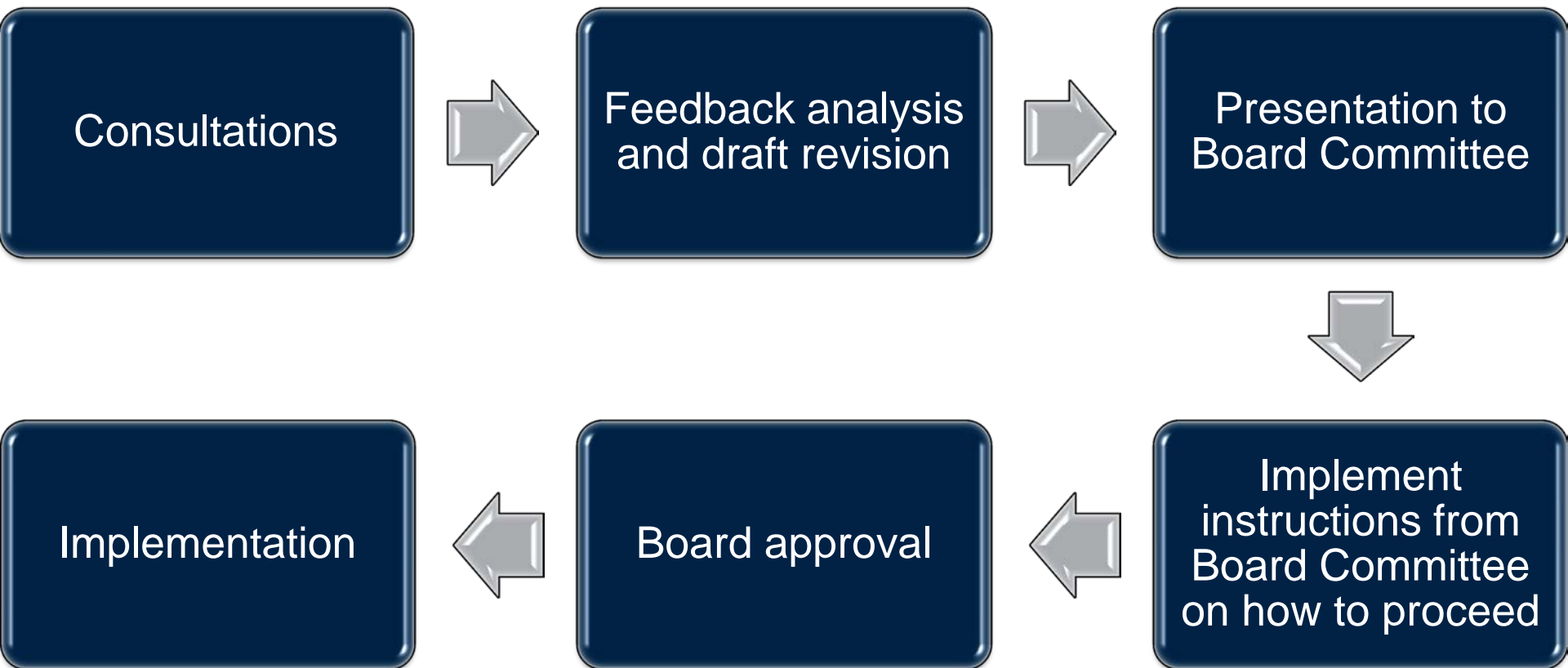
- Makes clear that World Bank operations **support human rights** by enlarging the scope of the proposed standards through required assessment of a range of **issues that directly relate to human rights concerns** (such as non-discrimination, gender, disability, and children)

# Biodiversity

## Proposal

- Integrates existing safeguards on forests and natural habitats
- Strengthens existing safeguards through introducing **more specific and stringent** requirements for biodiversity conservation
- Introduces more **clarity** and **more stringent requirements** for how risks and adverse impacts on natural habitats must be mitigated
- Ensures that Bank funds will not be used to finance or support projects that would involve a **significant conversion or degradation** of critical habitats
- Allows offsets only in exceptional circumstances and as **last resort**

# Next Steps







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# **Environmental and Social Standard 1**

**Environmental Assessment  
and Management of  
Environmental and Social  
Risks and Impacts**

# Environmental and Social Appraisal

- ESS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- ESS 2: Labor and Working Conditions;
- ESS 3: Resource Efficiency and Pollution Prevention;
- ESS 4: Community Health and Safety;
- ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement;
- ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;
- ESS 7: Indigenous Peoples;
- ESS 8: Cultural Heritage;
- ESS 9: Financial Intermediaries; and
- ESS 10: Information Disclosure and Stakeholder Engagement.

# Environmental and Social Appraisal (Cont.)

- Project focused
- Risk Driven
- Outcomes focused
- Partnership approval

# ESS 1: Assessment and Management

## Key Features

- Overarching standard which, together with ESS2 and ESS10, applies to all projects.
- It sets out the mandatory requirements for the Borrower, which relate to environmental and social assessment, management and monitoring of Bank financed investment projects.
- It provides clarity on key definitions (e.g. ‘project’, ‘associated facilities’)
- It introduces a clear and actionable risk management system through the mitigation hierarchy, adaptive management and an Environmental and Social Management Plan (ESCP)
- It also moves closer to harmonized approach with other development partners on management of environmental and social risks

# ESS 1: Assessment and Management (Cont.)

- Builds upon existing OP4.01 and Bank Procedures
- Incorporates the broader scope of issues addressed in the ESF
- Will be supported by more detailed tools and checklists
- Borrower will discuss and agree with the World Bank the nature and scope of ESA required as early as possible
- Scoping will inform the due diligence/appraisal process
- ESS1 includes the following annexes and set out certain requirements in more detail:
  - **Annex 1: Environmental and Social Assessment**
  - Annex 2: Environmental and Social Commitment Plan
  - Annex 3: Management of Contractors

# ESS 1: Assessment and Management

Discussion Topic:

## Annex 1 (Environmental and Social Assessment)

- Differentiated Risk Management Approach. Level of Assessment and Management
- Different tools and checklists (e.g. scoping phase, Subprojects, Financial Intermediary lending, etc.)

Thank you – Questions?

