

JACSES' Comments and World Bank's Responses on Program-for-Results Financing

JACSES' Comments on January 6. 2012	World Bank's Responses on January 19	JACSES' Responses on February 6. 2012
<p>Comment 1: Criteria described in para. 8 of Annex C: Draft Operational Policy Statement (OP) 9.00 and in para. 29 of Annex D: Draft Bank Procedures (BP) 9.00 should be mandatory requirements for borrowers.</p>	<p>All of the potential risks and impacts included in the safeguards policies governing investment lending are embedded in the principles and elements in the draft OP/BP 9.00, but the Program-for-Results approach recognizes that not all of them will be relevant in every program. The environmental and social systems assessment which will be undertaken will evaluate the government's system for consistency with these principles and elements. This then provides the basis for identifying specific shortcomings and measures to improve the system, as relevant in the program context.</p>	<p>OP/BP 9.00 failed to require the Bank to fill gaps between client's social and environmental systems and principles described in OP/BP 9.00. So, the gap-filling requirement should be included in OP/BP 9.00, as well as para 3, OP 4.00.</p>
<p>Comment 2: The existing mitigation hierarchy (impacts should be avoided, if avoidance in not feasible, minimization and mitigation should be conducted) should be sustained in para. 8 (b), OP 9.00.</p>	<p>Please note that the mitigation hierarchy is retained in para 8(a) of the draft OP 9.00. In addition, there is reference to avoidance, minimization or mitigation with regard to the scope of the environmental and social system assessment as described in para. 29 of draft BP 9.00.</p>	<p>In para. 29, draft BP 9.00, there is no hierarchy on avoidance effort prior to minimization and mitigation.</p>
<p>Comment 3 & 4: Public consultation should be initiated in an early stage. Information on social and environmental impacts should be disclosed in a timely manner, in an accessible place and in a form</p>	<p>Para. 31 of BP 9.00 stipulate that the environmental and social system assessment process includes both consultation with stakeholders as well as timely and accessible</p>	<p>There are no explicit requirements on early stage consultations and disclosure requirements on place, form and language.</p>

<p>and language understandable (para. 29 (b), OP 9.00).</p>	<p>public disclosure. The World Bank itself will conduct consultations during the E&S systems assessment process, and will disclose draft and final versions of the E&S systems assessment. Additionally, the client's arrangements for consultation and disclosure are a part of the Bank's E&S systems assessment, and identified deficiencies will be addressed in the program action plan.</p>	
<p>Comment 5: Significant conversion of natural habitats should be excluded from the scope of Program for Results Financing.</p>	<p>Any activities that would result in significant conversion of 'critical' natural habitat are excluded from Program-for-Results support as these would normally be considered as a Category A impact under the Safeguards Policies used for Investment Lending. In some instances, it may be necessary to support activities that result in conversion of 'non-critical' natural habitat, if appropriate mitigation or off-set measures for habitat protection or rehabilitation or replacement are available. The significance of such affected habitat areas, as well as availability of appropriate remedial measures, would be determined through the environmental and social systems assessment.</p>	<p>According to para. 4, OP 4.04, the Bank cannot support projects that involve the significant conversion or degradation of critical natural habitat. In addition, para. 2, BP 4.04 states that "If (snip) environmental screening indicates the potential for significant conversion or degradation of critical or other natural habitats, the project is classified as Category A, projects otherwise involving natural habitats are classified as Category A or B." Therefore, "significant conversion of natural habitats" is classified as Category A as usual, and is clearly placed outside of the scope of Program for Results Financing.</p>
<p>Comment 6: Preference to land-based</p>	<p>We believe that the Program-for-Results approach</p>	<p>There is no explicit requirement on prioritization of</p>

<p>resettlement strategies should be given for displaced persons whose livelihoods are land-based.</p>	<p>-- emphasizing timely and effective management of specific risks or impacts arising in each program context - allows mitigation to focus on measures appropriate for a broader range of circumstances (e.g., peri-urban areas, households that derive their primary income from employment rather than farming) in which direct land replacement may not be preferred or feasible. Para. 29 (i) emphasizes provision of “supplemental livelihood improvement or restoration measures if taking of land causes loss of income-generating opportunity” instead of a more narrow prescriptive focus on land-for-land.</p>	<p>land- based resettlement strategy.</p>
<p>Comment 7: BP 17.55, Inspection Panel should not be governed by the OP 9.00. Full applicability of compliance review by the Inspection Panel should be clearly stated in the OP 9.00.</p>	<p>Program-for-Results operations are subject to all the Bank’s oversight agencies, including the IP. Even though Program-for-Results is governed by one OP 9.00, the OP is explicit that Program-for-Results operations are subject to Inspection Panel review, without reservation.</p>	<p>Applicability of Inspection Panel is described in para 81, draft Policy Paper, however, is not described in OP/BP 9.00.</p>