

# Comments on the Second Draft of World Bank's Environmental and Social Framework

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## Differentiated applicability of Environmental and Social Standards (ESSs)

- All ESSs are applicable: General Projects (paras 15 & 16) and Associated Facilities (para 10).
- Relevant ESSs are applicable: Subprojects under Financial Intermediaries (FIs) classified as Substantial, Moderate or Low (para 35).
- Only Objectives of ESSs are applicable: Co-financing with other Institutions (para 9) and Environmental and Social (ES) Frameworks of Borrowers (paras 23-25).

# Co-financing & Frameworks of Borrowers


## Example of Objectives: ESS6 on Biodiversity Conservation

- To protect and conserve biodiversity and its multiple values using a precautionary approach.
  - To maintain the benefits from ecosystem services derived from the sustainable management of biodiversity and living natural resources.
  - To promote the sustainable management of living natural resources to support local livelihoods and inclusive economic development...
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- Objectives of ESSs are very limited (e.g. key conditions for protecting Critical Habitat and Natural Habitat are not included in the Objectives), thus the standards are diluted significantly.
  - Requirements for co-financing and ES Frameworks of Borrowers should be consistent with Operational Principles of OP 4.00 Table A1.

# Fig. 1: Definition of Category

Categories	Definition (Summary)
High Risk	<ul style="list-style-type: none"> <li>• Wide range of significant adverse risks and impacts</li> <li>• Large scale</li> <li>• Sensitivity of location</li> <li>• Long term/permanent/irreversible impacts</li> </ul>
Substantial Risk	<ul style="list-style-type: none"> <li>• No complex</li> <li>• Smaller scale and impact</li> <li>• No sensitive location</li> <li>• Temporary/predictable/reversible impacts</li> </ul>
Moderate Risk	<ul style="list-style-type: none"> <li>• No complex &amp; large</li> <li>• No significant impacts</li> <li>• Away from sensitive area</li> <li>• Temporary/reversible impacts</li> </ul>
Low Risk	<ul style="list-style-type: none"> <li>• Minimal/negligible impacts</li> <li>• Few/no adverse risks and impacts</li> </ul>

Small Gap



## Fig. 2: Gap of Requirements by Category

	High	Substantial	Moderate	Low
Requirements for Subprojects	All ESSs	National laws and relevant ESSs	National laws and relevant ESSs	National laws and relevant ESSs
Subprojects Prior Reviewed by the Bank	All projects	As appropriate		
Independent specialists for Assessments	Required	Required		

This is an only gap of requirement between Substantial and Moderate

- Both gaps of definition & requirement of Substantial Risk and Moderate Risk are minor.
- Substantial Risk and Moderate Risk should be combined. Category A, B and C should be sustained. All ESSs should be required in all subprojects.

# Mitigation Hierarchy

## Objectives of ESS1:

b) where avoidance is not possible, minimize or reduce risks and impacts to acceptable levels.”

- There is a significant gap between “minimize” and “reduce.” It is a dilution.
- “Acceptable level” is unmeasurable, and is not materialized in the project preparation stage.
- Other IFIs are using “minimize” in the mitigation hierarchy.
- “Reduce” in the proposed mitigation hierarchy should be eliminated.

# Disclosure of GHGs Emission

## Para 16 of ESS3:

For projects that are expected to produce GHG emissions in excess of the threshold established by the Bank [Guidance to be provided] of CO2-equivalent annually.

- The guideline for disclosing GHG emissions (more than 25,000 tones CO2-equivalent annually), included in the 1<sup>st</sup> draft, is eliminated.
- IFC adopted the guideline already.
- For projects with more than 25,000 tones of CO2-equivalent annually, Borrowers should disclose emissions.

# Identification of Indigenous Peoples (IPs)

Para 51 of Environment and Social Policy (ESP):

The Bank may follow the Borrower's framework for identification of Indigenous Peoples during project screening, when that framework is consistent with this Policy.”

- However, the definition of IPs by Borrowers may have a significant risk, when there is a political tension between the Borrower and affected IPs.
- In addition, criteria of IPs are included in the ESS7, not in the ESP (=this Policy).
- The Borrower's framework for identification of IPs should not be used.



# Information Disclosure by Borrowers

Para 19 of ESS10:

The Borrower will provide information on: purpose, nature, scale, duration, potential risks and impacts, mitigation measures, engagement process, consultation meetings, grievance mechanisms.

- There is no requirement of disclosing Environmental and Social Assessment documents (described in the footnote 16, ESS1) by Borrowers, which is a significant dilution.
- Environmental and Social Assessment documents should also be disclosed by Borrowers, prior to the approval by the Bank.