

## Recommendations for the Revision of World Bank’s Safeguard Policies (June 11, 2014)

by Yuki Tanabe, Japan Center for a Sustainable Environment and Society (JACSES)

Recommendations	Rationales
1. “More adaptive approach allows <u>compliance over reasonable time frame</u> reflecting borrower financial and technological constraints” should be avoided.	<ul style="list-style-type: none"><li>➤ World Bank proposed that “More adaptive approach allows compliance over reasonable time frame reflecting borrower financial and technological constraints.”<sup>1</sup></li><li>➤ However, public consultations and information disclosure should be started in the early stage of project preparation, and the key documents such as social and environmental assessment reports and action plans should be available to the public before project loan approval by World Bank, which is the key leverage point for the financial institution.</li><li>➤ There is already flexibility in the safeguards that is not always used. The examples from SG team sound reasonable, but at IFC/EBRD there are no limitations on use of “reasonable time frame.” It has been used to approve projects where certain assessments are deferred, but also to allow projects to continually not meet safeguards implementation requirements. This was the case in Dinant in Honduras.</li><li>➤ Permitting “achieving compliance over a reasonable time frame” without limitations could be abused or to justify projects that should not be approved. This could jeopardize environmental and social outcomes for communities and the environment, which is dilution.</li></ul>

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[http://consultations.worldbank.org/Data/hub/files/consultation-template/review-and-update-world-bank-safeguard-policies/en/meetings/safeguards\\_update\\_presentation\\_april\\_12\\_2014\\_0.pdf](http://consultations.worldbank.org/Data/hub/files/consultation-template/review-and-update-world-bank-safeguard-policies/en/meetings/safeguards_update_presentation_april_12_2014_0.pdf)

<p>2. Requirements on <u>non-discrimination, special consideration and empowerment for vulnerable/disadvantaged peoples</u> such as LGBT, religious, racial or other minorities, gender elderly, children, disabled and infirm should be adapted in country planning, policy lending and project levels.</p>	<ul style="list-style-type: none"> <li>➤ World Bank proposed that “provides requirement to identify and address discrimination and adverse impacts on vulnerable groups.”</li> <li>➤ Non-discrimination language is important, but it is not sufficient to assess or address the specific impacts on marginalized communities who may be excluded and be negatively affected by projects.</li> <li>➤ Assessment of social impacts and risks of project needs to be stronger, but WB should avoid what other institutions have done (like AfDB) to simply list all potentially marginalized groups. This could lead to a “check box” exercise.</li> <li>➤ When there are potential risks, SGs should require assessments of specific, differentiated impacts on different groups. For example, child impact assessments.</li> </ul>
<p>3. <u>Exclusion list</u> should be made.</p>	<ul style="list-style-type: none"> <li>➤ World Bank proposed to establish a policy framework which consists on Environmental and Social Policy (ESP), Environmental and Social Standards (ESSs), Supporting Annexes and Guidelines/Best Practice Notes. It is unclear to make an exclusion list within the framework.</li> <li>➤ Both IFC and ADB made exclusion lists, which describe types of prohibited projects.</li> </ul>
<p>4. <u>Development Policy Lendings (DPLs)</u> should be covered by the new Safeguard Policies.</p>	<ul style="list-style-type: none"> <li>➤ Although DPLs are 40% portion of World Bank portfolio, there are no comprehensive safeguard requirements.</li> <li>➤ Serious impacts have been occurred in the past DPLs such as Democratic Republic of Congo Transitional Support for Economic Recovery, Forest and Environment Development Program (FEDP) to Cameroon and Ghana Natural Resource and Environmental Governance DPO.</li> <li>➤ Independent Evaluation Group (IEG) criticized that safeguard considerations</li> </ul>

	<p>were limited in the past forest related DPLs.<sup>2</sup></p> <ul style="list-style-type: none"> <li>➤ ADB adopted the framework approach in the Safeguard Policy Statement (SPS), which covers program and sector lendings.</li> <li>➤ We understand that IEG will do an evaluation of environmental and social impacts of DPLs this year. WB has agreed to examine environmental and social impacts of DPLs in the next retrospective, but said on April 12 that they intend to update the guidance on safeguards. DPL policy already has guidance but it is not followed. We want to see a public process to revise the DPL policy itself to address current gaps.</li> </ul>
<p>5. The climate change assessment (CCA) proposed by NGOs should be adopted, and <u>high GHG emission projects</u> (e.g. higher than 550g-CO2/kWh) should be excluded from the scope of World Bank's finance.</p>	<ul style="list-style-type: none"> <li>➤ World Bank proposed to include “the consideration of climate change and adaptation and greenhouse gas emissions management” as a requirement for borrowers. It is unclear the types of excluded projects for the consideration of climate change, as well as the assessment tools proposed to be used in the new safeguard where climate assessment will be introduced.</li> <li>➤ World Bank Group adopted the Criteria for Screening Coal Projects under the Strategic Framework for Development and Climate Change as an Operational Guidance in March 2010. However, the guidance is not a policy and is not a comprehensive one.</li> <li>➤ The new stand-alone policy suggested by NGOs has a clear exclusion list and proposes a wide range of climate assessment tools that can help the Bank introduce clear instruments to assess climate aspects in its projects</li> </ul>

<sup>2</sup> Independent Evaluation Group , Managing Forest Resources for Sustainable Development  
<http://ieg.worldbankgroup.org/content/ieg/en/home/reports/forest.html>

	<p>from the Country Diagnostics/Country Partnership Framework to the after implementation stages.</p>
<p>6. The requirements for prohibiting <u>significant conversion or degradation of critical natural habitats</u> (OP4.04, Para.4) and critical forest areas (OP4.36, Para.5) should be sustained.</p>	<ul style="list-style-type: none"> <li>➤ World Bank proposed that “more harmonization with other MFIs and within the World Bank group, allowing for a more efficient/effective co-finance.”</li> <li>➤ IFC adopted more flexible approach to the critical natural habitats, which allows projects when there is no other alternatives, no measurable adverse impacts on those biodiversity values, and no net reduction of critical endangered/endangered species (Performance Standard 6, Para.17).</li> <li>➤ However, measurement systems on biodiversity values are still under development, and there is a significant risk at the offset of critical endangered/endangered species.</li> <li>➤ We hear that some VPs have raised concern that protections for forests/natural habitats policies will be severely weakened in the first draft, and what is proposed is even weaker than IFC’s PS 6.</li> </ul>
<p>7. Requirement on <u>improvement of the living standards of vulnerable/disadvantaged people</u> should be added.</p>	<ul style="list-style-type: none"> <li>➤ The OP4.12 (Para.2) requires borrowers to improve or at least restore the livelihood and living standards of displaced people.</li> <li>➤ However, risks for vulnerable/disadvantaged people are higher than other displaced people. Therefore, special consideration should be added.</li> <li>➤ ADB requires the borrower to improve the standards of living of the displaced poor and other vulnerable people. (ADB, SPS, Involuntary Resettlement Policy Principle 5)</li> </ul>