



## Forest Carbon Partnership Facility

# World Bank Safeguard Policies: An Overview

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# Overview

1. Safeguard policies - Objectives and Key issues
2. Inspection Panel - Accountability Mechanism
3. Update of Safeguard Policies

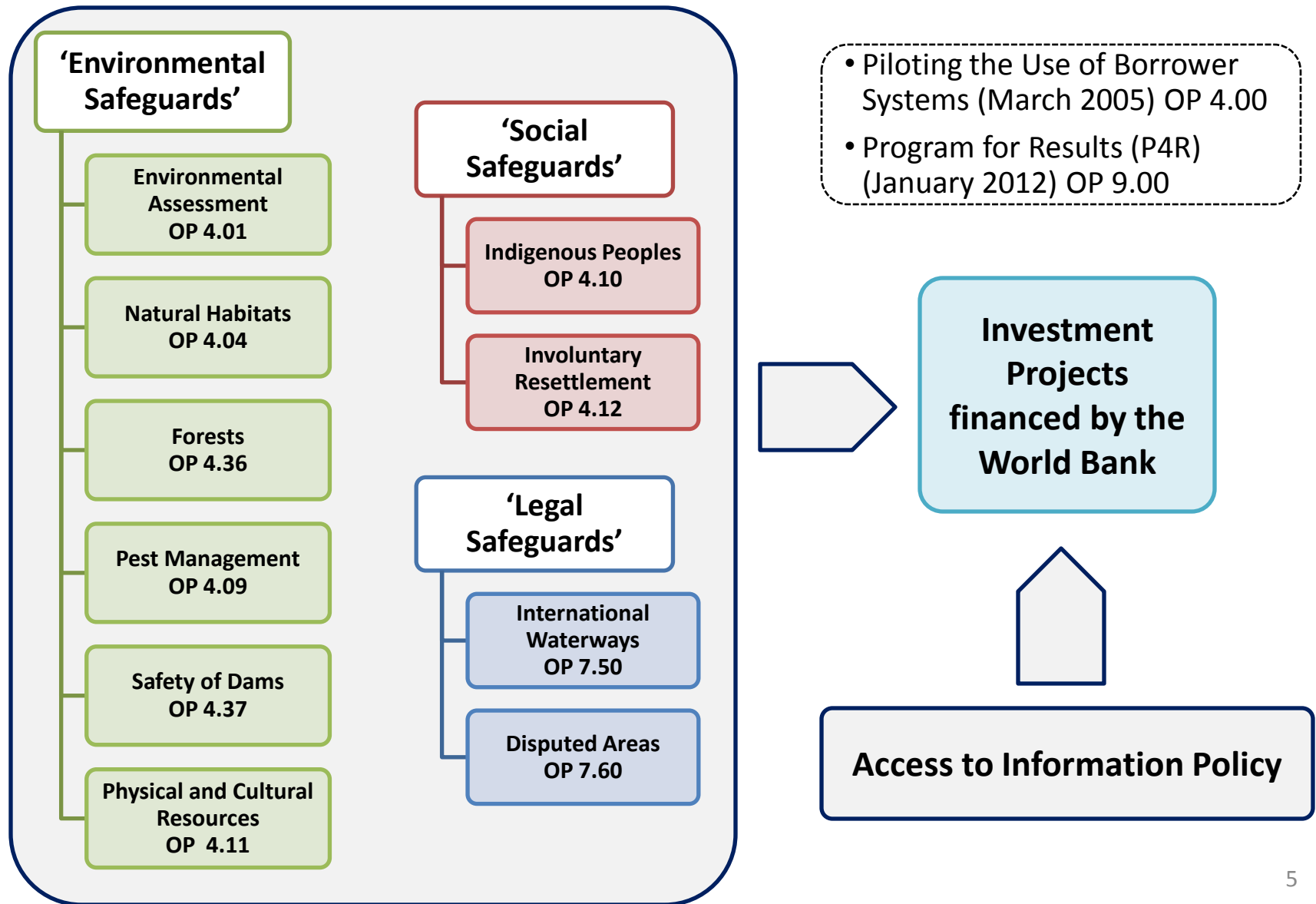
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# General Objectives of the WB Safeguard Policies

- Overall:
  - Are mechanisms for **integrating** environmental and social issues into decision making in the entire WB project cycle
  - Are focused on **evaluating and managing** environmental and social impacts from preparation to supervision
  - Are concerned with **benefits** and **opportunities** as well as with **adverse** impacts
- More specifically:
  - Provide a mechanism for **consultation** with affected peoples (PAPs) and civil society (including NGOs)
  - Fully **disclose** relevant project information to PAPs and key stakeholders
  - Supervise **compliance** and outcomes during project implementation

# A Suite of 10+ Safeguard Policies...



# When Do Safeguards Apply in Bank Operations?

- Safeguards apply to Investment Lending, including:
  - Investment Loans (ILs)
  - Financial Intermediaries (FI)
  - Community Driven Development (CDD) projects
  - Technical Assistance Loans (TALs)
  - Emergency Operations (with flexibility)
  - IBRD Guarantees
  - Carbon Finance
- For Use of Country Systems and Program for Results operations, the focus is on ensuring that the borrower has an **acceptable** environmental and social management system

# Application of Safeguards for Projects

- Trigger: Each safeguard policy specifies circumstances that prompt its application.
- Timing: Decision to trigger a particular safeguard policy is made at the Project Concept stage, and revised as necessary through Appraisal.
- Documentation: Decision to trigger applicable safeguards must be documented (Integrated Safeguards Data Sheet - ISDS) and explained.
- Disclosure: The ISDS and many of the other documents are publicly disclosed.

# OP 4.01 - Environmental Assessment

- Purpose: EA evaluates a project's potential environmental risks and impacts in its area of influence...
- Scope: Considers environmental and social aspects in an integrated way. Introduces categories of risk.
- Application: When a project is likely to have potential, adverse environmental risks and impacts in its area of influence
- Notably: Instruments under the policy include SESA, ESMF (paragraph 7) among others.






# OP 4.04 - Natural Habitats



- Purpose: The Bank does not finance projects that involve significant conversion of natural habitats.
- Scope and application: To all projects that have the potential to...
  - Cause “significant conversion” (loss) or “degradation” of “natural habitats”
    - Directly (through construction); or
    - Indirectly, through human activities induced by the project
  - Impact, whether positive or negative, on “critical natural habitats”

# OP 4.04 - Natural Habitats

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- Overall: The Bank does not support projects that involve significant conversion of critical natural habitat;
  - Projects must be sited on land already converted when feasible;
  - If natural habitats would be significantly converted, acceptable mitigation measures are included in design to:
    - minimize habitat loss, and
    - establish and maintain ecologically similar protected area (offset);
    - ensure that institutional capacity to implement the offset exists, and that
    - consultation process be conducted to ensure that the views, roles of affected groups (NGOs, communities and where applicable indigenous peoples) are taken into account in project design/implementation

Compliance largely through use of covenants: Legal documents include supervision and corrective measures.

# OP 4.36 - Forests

- Purpose: Help harness the potential of forests...and protect vital environmental services and values of forests.
- Application: Bank financing to both natural and plantation forests. (para. 2).
- Scope: The policy is triggered for all:
  - projects that impact health and quality of forests;
  - or that affect the rights and welfare of people;
  - or that aim to bring changes to forest management.
- Overall: The Bank does not finance projects that would involve “significant conversion” or degradation of critical forest areas or related critical natural habitats.



# OP 4.10 - Indigenous Peoples



- The objectives is to:
  - Contribute to Bank mission of “poverty reduction and sustainable development” ...by “*ensuring that the development process **fully respects** the dignity, human rights, economies, and cultures of IPs.*” (para 1)
- This objective is achieved through both:
  - A “**do no harm rationale**” i.e avoiding potentially adverse effects on IPs, and when avoidance is not feasible, to minimize, mitigate and compensate for such effects.
  - A “**do good rationale**” i.e ensuring that IP receive social and economic benefits that are culturally appropriate and gender and intergenerationally inclusive.

# When is OP 4.10 Applied?

- **Application:** The Policy applies to all projects proposed for Bank financing that “affect” IPs.
- **Criteria:** Driven by the *presence* in or, *collective attachment* to the project area (land or related natural resources).
- **Urban areas.** The Policy also applies to groups in urban areas that meet the criteria (Para 4, and footnote 8).
- **Impact:** Project impact (potential or actual; positive or adverse) does not influence applicability of the Policy.
- **No *de minimis* rule.** Even a small number of IP triggers the policy.
- **All components.** The Policy applies to all components of the project, regardless of the source of financing (footnote 3).

# Op 4.10: Broad Community Support

- *“The Bank provides project financing only where free, prior and informed consultation results in broad community support to the project by the affected IP” (para 1).*
- The Bank reviews the SA and the consultation process carried out by the Borrower to satisfy itself that there is “broad community support.”
- **Key: to document “broad community support”.** SA/consultation documentation (evidence of agreements, discussion, problems and measures to address them).
- *“The Bank does NOT proceed further with project processing if it is unable to ascertain that such support exists.” (Para. 11)*

# OP 4.12 - Involuntary Resettlement

- Application: when projects lead to loss of land or other assets resulting in:
  - Relocation or loss of shelter;
  - Loss of assets or access to assets (including legally protected parks and protected areas resulting in adverse impacts upon livelihoods); and
  - Loss of income sources or means of livelihood, whether or not the affected people must move to another location
- Requires: compensation for those with or without formal title to the land



# OP 4.12 – Physical Relocation of IPs...is

- Generally viewed as a last resort. The OP 4.10 uses the phrase “exceptional circumstances” (Para. 20).
- The borrower is obliged to explore *alternative* project design to avoid physical relocation (Para. 20).
- If alternative designs are not possible, “broad community support” is required before relocation as part of a free, prior, and informed consultation.
- This is *additional* to the general obligation regarding broad community support...implying a higher threshold of consultations and support.
- For relocation, the borrower is required to prepare a RAP in accordance with OP 4.12. The RAP should:
  - include a land-based resettlement strategy
  - compatible with IPs’ cultural preferences
  - include “return rights” for IPs “where possible”



# Op 4.11 - Physical Cultural Resources



- Application: when physical Cultural Resources are known or expected to be present in project area.
- Approach: Typically handled as part of environmental assessment

# Safeguard-Specific Instruments

- OP 4.01
  - Environmental Assessment (EA), inc. Environmental Management Plan (EMP)
  - Strategic Environmental and Social Assessment (SESA)
  - Environmental and Social Management Framework (ESMF)
- OP 4.10
  - Indigenous Peoples Plan (IPP)
  - Indigenous Peoples Planning Framework (IPPF)
- OP 4.11
  - Physical Cultural Resources Management Plan
- OP 4.12
  - Resettlement Action Plan (RAP)
  - Resettlement Policy Framework (RPF)
  - Process Framework (PF)
- OP 4.36
  - Forest Management Plan

# Accountability: Borrower and Bank Responsibilities

- Borrower: has primary responsibility for the implementation of safeguard policies.
- Bank: plays a supporting role, provides guidance and supervises borrower implementation throughout the project cycle.

# Safeguards: Challenges

- Failure to trigger applicable safeguard policy due to insufficient/lack of information
- Lack of borrower ownership
- Perception that there is too much focus on legalities as opposed to the broad policy objectives
- Inadequate consultation and disclosure
- Unrealistic assessment of borrower implementation capacity
- Lack of follow through during supervision – can affect timely preparation of restructurings or additional financing

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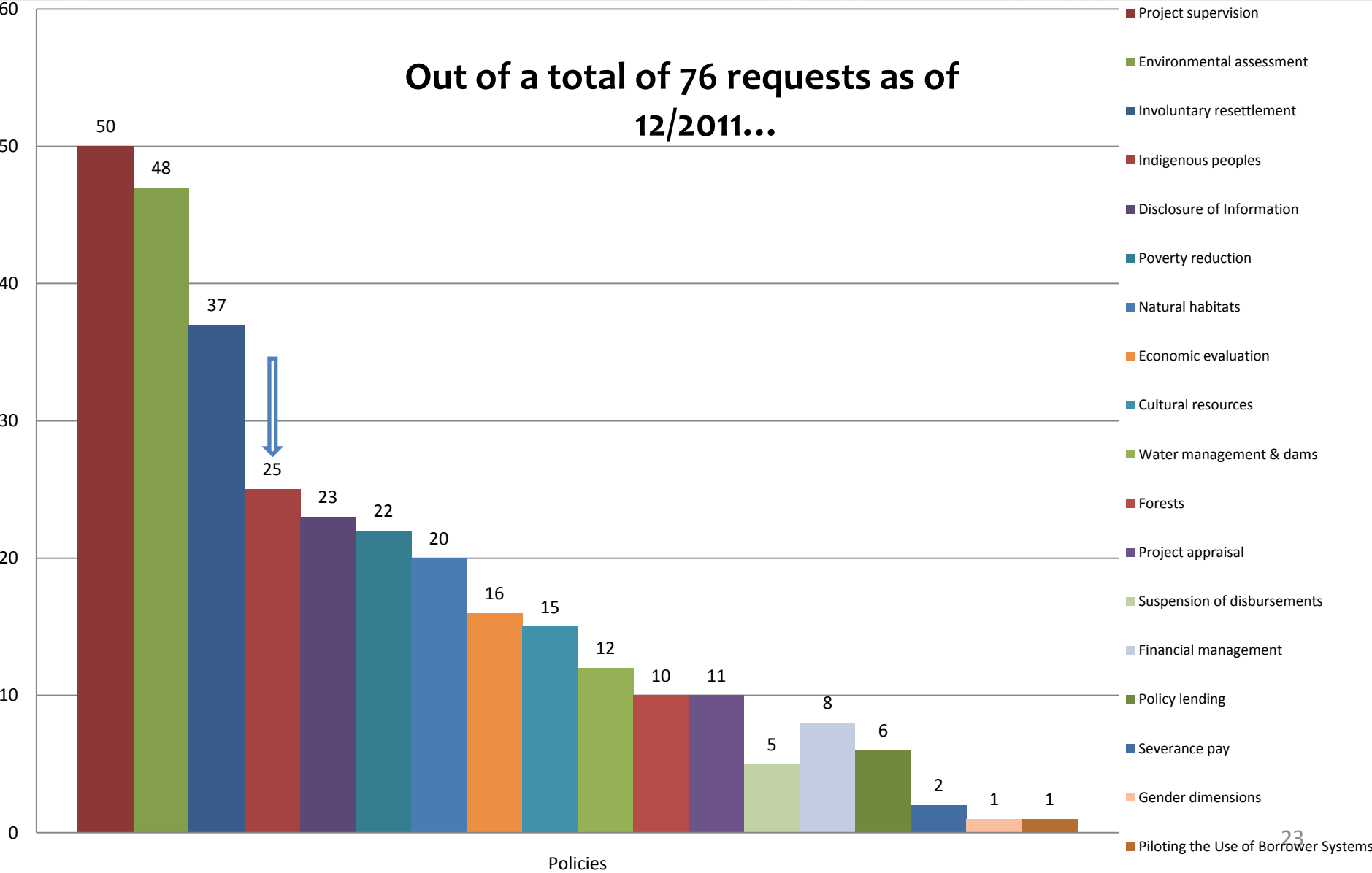
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# World Bank Inspection Panel

- Established in 1993 by the World Bank Board
- An accountability, fact-finding mechanism designed to:
  - address the concerns of the people who may be affected by Bank projects
  - determine whether the Bank has followed its operational policies and procedures during design, preparation and implementation phases of projects
- 3 members who are appointed by the Board for a non-renewable period of five years
- Nearly 80 Requests for Inspection in the last 18 years, 40% of which (32) had been approved by the Board for investigation

# Policy-related issues raised in Inspection Panel Requests as of 12/2011

Out of a total of 76 requests as of 12/2011...



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# Update and Consolidation of the Safeguard Policies

- Ongoing – drawing on recent experience with IFC's Performance Standards, input from civil society around the world, and consultations with stakeholders
- Regional consultations planned for later this year and in the first half of 2013

## Regarding OP 4.10, the Key Points Raised to Date...

- OP 4.10 should remain a stand-alone policy.
- The need to recognize the collective rights of IPs as has been done under international human rights standards.
- The Bank should adopt the standard of FPIC-consent for projects affecting IPs.
- The Bank should carry out more extensive consultations with IPs, especially during the safeguard policy updating and consolidation process.
- Explicit recognition of pastoralism as a livelihood and a lifestyle and pastoralists as IPs under OP 4.10.
- The need to recognize that the rights-based approach is particularly important for climate programs, including REDD+



*Asante*

*Thank you*

*Merci*

*Obrigado*

World Bank Safeguards website:

[www.worldbank.org/safeguards](http://www.worldbank.org/safeguards)

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