ENVIRONMENTAL AND SOCIAL FRAMEWORK

PROTECTING PEOPLE AND THE ENVIRONMENT IN INVESTMENT PROJECTS

THE WORLD BANK
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The World Bank Environmental and Social Framework
“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.

World Bank Group Strategy
October 2013
Our Environmental and Social Policies help to:

- Invest in People
- Accelerate Sustainable Growth
- Build Resilience
Why do we have Environmental and Social Policies?

Environmental and social policies help ensure that **people and the environment** are protected from potential adverse impacts in investment projects. Such policies also improve the **outcome and effectiveness** of projects.

In addition, support for strengthening the capacity of Governments to implement environmental and social policies, increases **sustainability and impact** beyond the World Bank portfolio.
The World Bank’s Environmental and Social Framework:

✓ applies to investment projects.

✓ boosts protections for people and the environment; promote capacity- and institution-strengthening and country ownership; and enhance efficiency for both the Government and the World Bank.

✓ consolidates the World Bank’s environmental and social policies and harmonizes them with those of other development institutions.

✓ makes important advances for the World Bank in areas such as transparency, accountability, nondiscrimination, and public participation.
World Bank environmental and social “Safeguard Policies” progressively developed and used from 1980’s through today

World Bank’s Environmental and Social Framework approved in August 2016 and declared effective on October 1, 2018

No change to policies on International Waters and Disputed Territories

ESF and Safeguard Policies will run in parallel until the last project applying current Safeguard Policies is closed
The Environmental and Social Framework aligns well with the Sustainable Development Goals
Key Characteristics of the Environmental and Social Framework

The World Bank’s Environmental and Social Framework is designed to be:

- **Systematic**
  - Applies 10 Standards with explicit objectives
  - Assesses a broad set of E&S risks and impacts consistently
  - Involves ongoing Stakeholder Engagement

- **Modern**
  - Responds to challenges that have arisen over time
  - Adapts to needs in a timely way
  - Integrates environment and social risks

- **Harmonized**
  - Brings environmental and social protections into closer harmony with other institutions
  - Applies Good International Industry Practice
SYSTEMATIC
How is the ESF structured?

**A Vision for Sustainable Development**

- **World Bank Responsibilities**
  - Environmental and Social Policy
  - World Bank Directives
  - Good Practice Notes

- **Borrower Responsibilities**
  - Environmental and Social Standards 1 - 10
  - Environmental, Health, and Safety Guidelines (EHSG)
  - Guidance Notes

**Review and due diligence**

**Assessment and implementation**
Ten Environmental and Social Standards cover a broad range of topics.
What are the Environmental and Social Standards?

- Designed to help Governments manage project risks and impacts, and improve environmental and social performance, consistent with good international practice and national and international obligations.

Include **objectives** that define the environmental and social outcomes to be achieved.

Include **requirements** that help Governments achieve the Environmental and Social Standard objectives through means appropriate to the nature, scale and risks of a project.
Promoting Public Support for Projects

The ESF emphasizes more systematic stakeholder engagement and participation in all projects.

This enables Governments to maintain a constructive relationship with stakeholders and take their views into account in project design, which promotes a better public understanding and support for projects.
MODERN
The ESF incorporates current environmental and social issues relevant to investment projects. These include:

- Climate Change
- Gender
- Non-discrimination
- Disability
Integrated Approach

The ESF integrates both environmental and social considerations across all 10 Standards. For example:
Adaptive Management

The ESF places the emphasis of environmental and social risk management on achieving **better development outcomes**.

It allows for **adaptive management** of project risks and impacts, which utilizes feedback from project monitoring to change project design and/or environmental and social risk management as necessary throughout implementation.
The Environmental and Social Commitment Plan

A mechanism to help support the application of the ten Environmental and Social Standards in a flexible and adaptive Manner:

- Takes into account the findings of the Environmental and Social Assessment and the stakeholder engagement process
- Flexible, and can be updated over time to respond to dynamic risks adapt to project changes and relevant unforseen circumstances
- Sets out agreed timetables and actions for the project to achieve compliance with the Environmental and Social Standards over a specified timeframe
- Developed by the Government and agreed with the World Bank
- Forms part of the loan agreement
- Publicly disclosed
Use of the Government’s Environmental and Social Framework

The ESF enables the Government and the World Bank to consider applying relevant parts of the Government’s Environmental and Social Framework to a project when this is likely to:

- Address the risks and impacts of the project
- Enable the project to achieve objectives materially consistent with the Environmental and Social Standards

In this case, the World Bank will evaluate those aspects of the Government’s policy, legal and institutional framework that are relevant to the project, including:

- National, subnational or sectoral implementing institutions
- Applicable laws, regulations, rules and procedures
- Implementation capacity and track record
When a project is **jointly financed** by the World Bank and other multilateral or bilateral agencies:

- A **Common Approach** can be proposed for the assessment and management of environmental and social risks and impacts, if it enables the project to achieve objectives **materially consistent** with the Environmental and Social Standards.

- The World Bank, the Government, and co-financing agencies will agree on **measures and actions** to be incorporated in the Government’s **Environmental and Social Commitment Plan** under the proposed Common Approach.
The ESF is designed to help Governments strengthen their institutions over time and develop **capacity** that will improve the management of environmental and social risks and impacts.

Capacity strengthening along the broad range of environmental and social issues covered in the ESF in turn promotes **better – and lasting – development outcomes.**
Ongoing Support

Short-term
- eLearning Courses
- Awareness Raising

Medium-term
- Guidance Notes
- Workshops

Long-term
- Project Implementation Support
- Technical Assistance
- Capacity Strengthening Strategy
QUESTIONS AND FEEDBACK

• Presentation questions and clarifications?
• Medium to long-term capacity strengthening priorities that align with the ESF goals?
• Additional actions the World Bank should do to help prepare for the ESF?
The Environmental and Social Standards at a Glance
Objectives

- Identify, assess, evaluate, and manage environment and social risks and impacts in a manner consistent with the ESF
- Adopt a mitigation hierarchy
- Adopt differentiated measures so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable, and they are not disadvantaged in sharing development benefits and opportunities
- Utilize national environmental and social institutions, systems, laws, regulations and procedures where appropriate
- Promote improved environmental and social performance, in ways which recognize and enhance Government capacity
ESS1: Assessment and Management of Environmental and Social Risks and Impacts

**Highlights and key requirements of ESS1 include:**

- The types of E&S risks and impacts that should be considered in the environmental and social assessment
- Clear definition of “project” and “Associated Facilities” and how the Standards apply to them
- The use and strengthening of the Government’s environmental and social framework for the assessment, development and implementation of World Bank financed projects where appropriate
- A Common Approach, where the World Bank is jointly financing a project with other development partners
- An Environmental and Social Commitment Plan (ESCP), developed in agreement with the World Bank, that sets out a summary of the material measures and actions for mitigation and monitoring
- Emphasis on non-discrimination and inclusion
- Requirements for management of contractors
Objectives

- Promote **safety and health** at work
- Promote the **fair treatment, non-discrimination, and equal opportunity** of project workers
- **Protect project workers**, with particular emphasis on vulnerable workers
- Prevent the use of all forms of **forced labor** and **child labor**
- Support the principles of **freedom of association** and **collective bargaining** of project workers in a manner consistent with national law
- Provide project workers with accessible means to raise **workplace concerns**
ESS2: Labor & Working Conditions

Highlights and key requirements of ESS2 include:

• Requirements for the Government to prepare and adopt labor management procedures

• Provisions on the treatment of direct, contracted, community, and primary supply workers, and government civil servants

• Requirements on terms and conditions of work, non-discrimination and equal opportunity and workers organizations

• Provisions on child labor and forced labor

• Requirements on occupational health and safety, in keeping with the World Bank Group’s Environmental, Health, and Safety Guidelines (EHSG)

• Requirement for a grievance mechanism
Objectives

- Promote the **sustainable use of resources**, including energy, water, and raw materials
- Avoid or minimize adverse **impacts on human health and the environment** caused by pollution from project activities
- Avoid or minimize **project-related emissions** of short and long-lived climate pollutants
- Avoid or minimize generation of **hazardous and non-hazardous waste**
- Minimize and manage the risks and impacts associated with **pesticide** use
Highlights and key requirements of ESS3 include:

- Requires technically and financially feasible measures to improve efficient consumption of energy, water, and raw materials, and introduces specific requirements for water efficiency where a project has high water demand.

- Requires an estimate of gross greenhouse gas emissions resulting from project (unless minor), where technically and financially feasible.

- Requirements on management of wastes, chemical and hazardous materials, and contains provisions to address historical pollution.

- Requires management of pesticides, preferring integrated pest management (IPM) and integrated vector management (IVM), and where pesticides are necessary, minimizing risks to human health and the environment.

- The standard refers to national law and also Good International Industry Practice, in the first instance the world Bank EHSGs.
ESS4: Community Health & Safety

Objectives

• Anticipate or avoid adverse impacts on the health and safety of project-affected communities during project life-cycle from routine and non-routine circumstances

• Promote quality, safety, and climate change considerations in infrastructure design and construction, including dams

• Avoid or minimize community exposure to project-related traffic and road safety risks, diseases and hazardous materials

• Have in place effective measures to address emergency events

• Ensure that safeguarding of personnel and property is carried out in a manner that avoids or minimizes risks to the project-affected communities
Highlights and key requirements of ESS4 include:

- Requirements on infrastructure, taking into account safety and climate change, and applying the concept of universal access, where technically and financially feasible.
- Requirements on traffic and road safety, including road safety assessments and monitoring.
- Addresses risks arising from impacts on provisioning and regulating ecosystem services.
- Measures to avoid or minimize the risk of water-related, communicable, and non-communicable diseases.
- Dam safety requirements that are proportionate to potential risks.
- Requirements to assess risks associated with security personnel, and review and report unlawful and abusive acts to relevant authorities.
ESS5: Land Acquisition, Restrictions on Land Use & Involuntary Resettlement

Objectives

• Avoid or minimize involuntary resettlement by exploring project design alternatives

• Avoid forced eviction

• Mitigate unavoidable adverse impacts from land acquisition or restrictions on land use by providing timely compensation at replacement cost and assisting displaced persons in their efforts to improve, or at least restore, livelihoods and living standards to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher

• Improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure

• Conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant

• Ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and informed participation
ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

**Highlights and key requirements of ESS5 include:**

- Applies to permanent or temporary physical and economic displacement resulting from different types of land acquisition and restrictions on access
- Does not apply to voluntary market transactions, except where these affect third parties
- Provides criteria for “voluntary” land donations, sale of community land, and parties obtaining income from illegal rentals
- Prohibits forced eviction (removal against the will of affected people, without legal and other protection including all applicable procedures and principles in ESS5)
- Requires that acquisition of land and assets happens only after payment of compensation and resettlement has occurred
- Includes requirements relating to consultation with women and documentation of ownership in joint names
- Requires community engagement and consultation, disclosure of information and a grievance mechanism
Objectives

- **Protect and conserve** biodiversity and habitats

- Apply the **mitigation hierarchy** and the **precautionary approach** in the design and implementation of projects that could have an impact on biodiversity

- Promote the **sustainable management** of living natural resources

- Support livelihoods of **local communities, including Indigenous Peoples**, and inclusive economic development, through the adoption of practices that **integrate conservation needs and development priorities**
ESS6: Biodiversity Conservation & Sustainable Management of Living Natural Resources

Highlights and key requirements of ESS6 include:

• Definitions and requirements for modified habitats, natural habitats and critical habitats, including provisions for use of biodiversity offsets

• Requirements for projects affecting areas that are legally protected, designated for protection or regionally/internationally recognized to be of high biodiversity value

• Requirements on sustainable management of living natural resources, including primary production and harvesting, distinguishing between small-scale and commercial activities

• Provisions for avoiding introduction of and managing the impacts of, invasive alien species

• Provisions relating to animal husbandry practices in large-scale commercial farming

• Requirements relating to primary suppliers, where a project is purchasing natural resource commodities, including food, timber and fiber
ESS7: Indigenous Peoples / Sub-Saharan African Historically Underserved Traditional Local Communities

Objectives

• Ensure that the development process fosters **full respect** for affected parties’ human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods

• Promote sustainable development benefits and opportunities in a manner that is **accessible, culturally appropriate and inclusive**

• Improve project design and promote local support by establishing and maintaining an ongoing relationship based on **meaningful consultation** with affected parties

• Obtain the **Free, Prior, and Informed Consent (FPIC)** of affected parties in three circumstances

• Recognize, respect and preserve the culture, knowledge, and practices of Indigenous Peoples, and to provide them with an opportunity to adapt to changing conditions **in a manner and in a timeframe acceptable to them**
**Highlights and key requirements of ESS7 include:**

- Applies when the people are present or have a collective attachment to the land, whether they are affected positively or negatively and regardless of economic, political or social vulnerability
- The option to use different terminologies for groups that meet the criteria set out in the Standard
- The use of national screening processes, providing these meet World Bank criteria and requirements
- Coverage of forest dwellers, hunter-gatherers, and pastoralists and other nomadic groups
- Requirements for meaningful consultation tailored to affected parties and a grievance mechanism
- Requirements for a process of free, prior and informed consent (FPIC) in three circumstances:
  - Impacts on land and natural resources
  - Relocation from land and natural resources
  - Significant impacts on cultural heritage
ESS8: Cultural Heritage

Objectives

- **Protect cultural heritage** from the adverse impacts of project activities and support its preservation

- Address cultural heritage as an **integral aspect of sustainable development**

- Promote **meaningful consultation** with stakeholders regarding cultural heritage

- Promote the **equitable sharing of benefits** from the use of cultural heritage
ESS8: Cultural Heritage

Highlights and key requirements of ESS8 include:

• Covers both tangible and intangible cultural heritage:
  • Tangible cultural heritage may be located in urban or rural settings, be above or below land or under water, and includes natural features and landscapes
  • Intangible cultural heritage includes practices, representations, expressions, knowledge, and skills

• Requires a chance finds procedure to be established

• Recognition of the need to ensure peoples’ continued access to culturally important sites, as well as the need for confidentiality when revealing information about cultural heritage assets that would compromise or jeopardize their safety or integrity

• Requirement for fair and equitable sharing of benefits from commercial use of cultural resources

• Provisions on archaeological sites and material, built heritage, natural features with cultural significance, and movable cultural heritage
**Objectives**

- Sets out how Financial Intermediaries (FI) will **assess and manage environmental and social risks** and impacts associated with the **subprojects** it finances.

- **Promote good environmental and social management practices** in the subprojects the FI finances.

- Promote good environmental and sound **human resources management** within the FI.
ESS9: Financial Intermediaries

Highlights and key requirements for ESS9 include:

- Requirements for Financial Intermediaries to have an Environmental and Social Management System (ESMS) covering policy, procedures, organizational capacity and competence, monitoring and reporting, and stakeholder engagement.

- Financial Intermediary subprojects to be prepared and implemented in accordance with national law and in addition, to apply relevant requirements of ESSs if a Financial Intermediary subproject involves resettlement, adverse risks on Indigenous Peoples, or significant risks/impacts on environment, community health and safety, labor, biodiversity or cultural heritage.

- Financial Intermediaries to develop a categorization system for all subprojects; with special provisions for subprojects categorized as high or substantial risk.

- Financial Intermediary borrowers to conduct stakeholder engagement in a manner proportionate to the risks and impacts of their subprojects.

- Financial Intermediary sub-borrowers to disclose project-related documents required by application of the ESSs, including for sub-projects classified as High Risk.
Objectives

• Establish a **systematic approach to stakeholder engagement** that helps Governments **identify stakeholders** and maintain a **constructive relationship** with them.

• Assess **stakeholder interest and support** for the project and enable stakeholders’ views to be taken into account **in project design**.

• Promote and provide means for effective and inclusive engagement with project-affected parties **throughout the project life-cycle**.

• Ensure that appropriate project information is disclosed to stakeholders in a **timely, understandable, accessible and appropriate** manner.
Highlights and key requirements of ESS10 include:

- Requires stakeholder engagement throughout the project life-cycle, and preparation and implementation of a Stakeholder Engagement Plan (SEP)
- Requires early identification of stakeholders, both project-affected parties and other interested parties, and clarification on how effective engagement will take place
- Stakeholder engagement to be conducted in a manner proportionate to the nature, scale, risks and impacts of the project, and appropriate to stakeholders’ interests
- Specifies what is required for information disclosure and to achieve meaningful consultation
- Requires an inclusive and responsive grievance mechanism, accessible to all project-affected parties, and proportionate to project risks and impacts
QUESTIONS?