

July 15, 2004, Videoconference

Comments and Issues on the Draft Management Response by
Representatives of Civil Society

London, Tbilisi, Warsaw, and Washington, DC

World Bank EIR Team & Civil Society Team
The World Bank Group

**Videoconference Discussion: Draft WB Management Response to EIR With
Representatives of Civil Society
London, Tbilisi, Warsaw, and Washington DC**

July 15, 2004, 9:30 – 11:00 a.m. (Washington time)

The World Bank EIR team and the Civil Society Team organized this multi-stakeholder and multi-country VC meeting in order to hear from interested NGOs, government representatives, union leaders, and other stakeholders, about their comments on the draft World Bank Management response, before it is sent to the Board.

Format of the discussion

- Brief welcoming remarks by Michael Levitsky, Senior Economist, Policy Division (IBRD Oil and Gas), Joint Bank/IFC Oil, Gas, Mining and Chemicals Department
 - Introduction of civil society and other participants and the groups they represent
 - Questions/interventions/comments are put in 3 rounds by the civil society and other participants. After each rounds follows a summary of the comments by Michael Levitsky/ other WBG participants in Washington DC to clarify any points as needed
 - Resume of the issues raised during the discussion by Michael Levitsky.
- Brief presentation on the next steps in the EIR process.

List of participants

Czech Republic *(by audio)*

- Petr Hlobil, Campaigns Coordinator, CEE Bankwatch

Georgia

- Nana Janashia, CENN (Caucasus Environmental NGO Network)
- Keti Gujaraudze, Green Alternative
- Nino Dadalauri, Green Alternative
- Manana Kochladze, CEE Bankwatch Network
- Kety Dgebuadze, ECA NGO Working Group Secretary
- *Inga Paichadze, Communications Officer, World Bank*
- *Natia Gogsadze, Team Assistant, World Bank (IFC)*

Poland

- Robert Cyglicki, CEE Bankwatch
- Anna Roggenbuck, Polish Green Network
- *Malgorzata Dworzynska, Civil Society Focal Point, World Bank*

United Kingdom

- Simon Taylor, Director, Global Witness
- David Murray, Deputy Chairman, Transparency International
- Hannah Ellis, International Financial Institutions Campaigner, Friends of the Earth
- Salil Tripathy, Economics and Human rights Specialist, Amnesty International
- *Niamh Collier, External Relations, UK and Ireland, World Bank*
- *Jakob Kopperud, Nordic Countries Cousellor, World Bank*

WBG Participants in Washington DC

- John Garrison, Senior Communications Officer, WB Civil Society Team (*Chair*)
- Michael Levitsky, Senior Economist, Policy Division, WB Oil and Gas
- John Strongman, Adviser, WB Mining
- Kent Lupberger, Manager, IFC Mining
- Felicia Swanson, Investment Officer, IFC Oil and Gas

First Round of Interventions:

- **United Kingdom:**

1. There is an inconsistency between the WBG's commitment to require for full transparency for individual EI projects, and its reluctance to make EIT transparency mandatory at the country level (for both total government receipts and individual company payments). If the WBG is willing to enforce transparency for projects it supports, why not for all EI projects?

2. On page 6, para. 20 of the World Bank Management Response the word "proactive" (3rd line) should be changed to "require" to emphasize the importance and urgency of this matter.

3. The EIR offers and opportunity for the WBG to promote a new global standard on governance, and the existing Draft does not do this.

- **Georgia:**

4. The MR Draft ignores the issue of the need for upstream Environmental and Social (E&S) assessments for policy based lending (revision of OP 8.60). The EIR recommended that E&S assessments should be required.

5. If the WBG wants to focus on great benefits for the communities/ indigenous peoples, it should not focus vaguely on minimizing risks to communities/ indigenous peoples. This is far too imprecise and ambiguous. There exists a need for a special threshold to constrain the meaning of this. The WBG should clarify what is meant by the imprecise statement. The communities/ indigenous peoples must benefit from the projects. Concerning this topic, the use of indicators needs to be considered. The GRI standards are not adequate and the WBG should develop its own poverty indicators for EI projects.

6. The MR seems to ignore some specific EIR recommendations, such that projects should provide health insurance for workers.

- **Poland:**

7. There should be more emphasis on "no-go zones", the MR does not address the recommendations of the EIR fully. The WBG should commit itself and establish specific No Go Zones for EI development.

7. the MR does not address the EIR's recommendation that the WBG should avoid supporting EI projects in zones of conflict, or potential conflict.

- **Czech Republic:**

8. What exactly is meant by 20% average growth annually over the next 5 years in energy efficiency and renewable energy? The WBG proposes a Baseline of \$200 mn, which is too low. The baseline should be \$400 mn, which is the previous high level of annual lending, and is also the average of the last 14 years that the WBG has publicized.

9. There should be separate targets for renewable energy and energy efficiency. Also, the target for renewables investment should be linked to a proportion of total lending for energy.

Second Round of Interventions:

- **United Kingdom:**

10. Greenpeace expressed its disappointment about the MR's failure to heed the EIR's call for a phase-out of oil and coal lending by 2008.

11. The WBG is not being consistent in its approach to climate change, since mitigating climate change is essential for poverty alleviation.

- **Georgia:**

12. After this WB MR the poor countries will still suffer from uncontrolled deforestation, uncontrolled use of resources, and pollution. The MR does not devote enough attention to the need for environmental investment, especially in forest areas.

13. One NGO spokesperson stressed that her organization did not oppose EI investments in conflict-prone areas, provided that such investments were properly supervised and designed then they could help foster peace.

14. There should be a greater link of SMEs to EI investments.

15. The implementation of the measures proposed in the MR needs to be monitorable in a time-bound action plan, at present it is too vague.

16. The MR proposal for striving for "broad community support" for projects is not adequate. What is needed is Free Prior Informed Consent.

- **Poland:**

17. There is an inconsistency, if the WBG promises to require revenue transparency as a condition for future investments, but does not do the same as far as it concerns projects which are already carried out. It is of important to require the same standards of transparency from "old" projects.

- **Czech Republic:**

18. The WBG does not have sufficient data to assess the poverty impacts of its EI projects (see footnote 189 of OED/OEG/OEU Review). Better data and poverty indicators are essential.

19. The MR relies too much on the proposed new IFC Safeguards. There are few details of these new Safeguards and this appears to be a way of postponing decisions needed in the MR.

Third Round of Interventions:

- **United Kingdom:**

20. The WBG should consider a freeze on new EI investments until there is greater assurance that such investment can lead to poverty reduction and sustainable development. Greater proof of “WBG additionality” is needed.

21. The WBG needs to focus on the “Free” in “Free Prior Informed Consultation”. People are often intimidated by local police and authorities and it is important to monitor this.

22. The evidence of the impact of EI investments in conflict zones is very equivocal. EI can often provoke or increase conflicts. The MR should address this issue.

- **Georgia:**

23. The MR ignored the EIR’s recommendations for minimum standards of governance to be met before the WBG supports EI investments

- **Poland:**

24. The issue of mine closures, as well as the topic of no-go zones are not satisfactorily included in the MR.

25. The MR is trying to shift the responsibility of dealing with EIT issues onto other processes in the WBG, instead of dealing with them directly.

- **Czech Republic:**

26. The MR says that there will be increased disclosure for IFC project implementation, through access to Environmental Monitoring Reports. There is no corresponding commitment to increase disclosure about IBRD/IDA projects under implementation. IBRD/IDA should release the results of regular supervision monitoring of projects.
