The World Bank’s Environmental and Social Safeguard Policies

The objective of the World Bank's environmental and social safeguard policies is to prevent and mitigate undue harm to people and their environment in the development process. They are a cornerstone of its support to sustainable poverty reduction. Recognizing the paramount importance of safeguard policies, the Bank is making major efforts to further strengthen their implementation. Key elements of these efforts include:

- Conversion/revision of safeguard policies
- Strengthening systems and procedures to promote compliance with policies
- Allocating adequate resources for implementation of safeguard policies

Conversion/Revision of Safeguard Policies: The Bank's safeguard policies were drafted between the early to late 1980's. Practice on safeguard issues has evolved considerably since then, and needs to be reflected in updated policy statements. The conversions/revisions do not alter the objectives and principles of the policies. They:

- Clarify ambiguities in the existing policy statements
- Codify current practice based on evolving standards
- Reflect recommendations of evaluations carried out by the Bank's independent Operations Evaluation Department (OED)

There is no dilution nor tightening of safeguard policy standards as a result of the ongoing conversions of safeguard policies.

Strengthening systems and procedures to promote compliance with safeguard policies: The Bank has strengthened the systems for oversight of safeguard issues – a new central Quality Assurance and Compliance Unit (QACU) has been established, staffed by senior specialists on safeguard policies. The unit provides greater support to the operational staff responsible for implementing safeguard policies and promotes harmonization of safeguard issues across regions. In collaboration with QACU, all regions of the Bank are routinely conducting detailed project portfolio assessments to identify and address risks related to safeguard policy issues.

Allocating adequate resources for implementation of safeguard policies: In order to ensure that the work on safeguard policies is adequately funded, the Bank has recently completed a study on "cost of doing business" that presents, for the first time, the level of resources required to fully implement the Bank's work on safeguard policies. Based on the findings of this study, additional resources have been allocated to further improve implementation of safeguard policies.

For further details, please see the Social Safeguards Q&A: [http://www.worldbank.org/ngos](http://www.worldbank.org/ngos).
THE WORLD BANK AND SOCIAL SAFEGUARD POLICIES

1. What are the objectives and implications of the ongoing "conversions" of the Bank's safeguard policies?

The Bank's environmental and social safeguard policies are being clarified as part of their ongoing "conversions" that help distinguish "policies" from "procedures" for implementation and take into account important lessons of experience to help strengthen the framework for compliance. They are being converted from the operational directives (OD) format that combined mandatory policy, Bank procedures, and "good practice" advice, to an Operational Policy/Bank Procedures (OP/BP) format that clearly distinguishes between policies and procedures.

The Bank's safeguard policies were issued between the early to late 1980s. While some of them underwent modifications in the early nineties, the format of others was never modified. The conversions are intended to reflect important lessons learned from the experience of implementation in the revised policy statements and help internalize them as part of routine practice. They also help clarify many aspects of the policies that were found to be unclear and required substantial time and resources in efforts to seek clarifications.

The main objective of the ongoing exercise to "convert" various safeguard policies is to further enhance their development impact. By taking into account important clarifications provided by Management as well as the recommendations of Operations Evaluation Department (OED) evaluations and other important lessons from implementation, the converted policies promise to make a bigger difference on the ground.

2. Are the current standards of the safeguard policies being maintained during the conversion process?

The mandate given by senior Bank Management to the Environmentally and Socially Sustainable Development (ESSD) Vice-Presidency is to fully maintain the current standards of the safeguard policies and to retain their key objectives and principles. Safeguard policies are at the core of the World Bank's commitment to development and the institution cannot succeed in fulfilling its mandate unless the policies are effectively implemented. Management has accordingly instructed that there should be absolutely no dilution of the existing standards.

The process for policy conversion is highly participatory and transparent, involving borrower governments, non-governmental organizations, and other external stakeholders. One of the benefits of the participatory process followed is the increased understanding of the converted policies among Bank staff, in-country implementing agencies, as well as external stakeholders.

3. How is the World Bank refining its systems and procedures to strengthen implementation of its environmental and social safeguard policies?

The World Bank's environmental and social safeguard policies are a cornerstone of its support to sustainable poverty reduction. The objective of these policies is to prevent and mitigate undue harm to people and their environment in the development process. The effectiveness and development impact of projects and programs supported by the Bank has substantially increased as a result of attention to these policies. Safeguard policies have often provided a platform for the participation of stakeholders in project design, and have been an important instrument for building ownership among local populations.

Recognizing the primary importance of safeguard policies, in addition to the clarification of safeguard policies through policy "conversions", the Bank has taken a number of steps to further strengthen their implementation. Key actions include:
• Clarification of safeguard policies through policy "conversions" based on lessons of experience:

See response to # 1 above.

• Setting up new institutional arrangements to improve corporate oversight of safeguard policies:

A Quality Assurance and Compliance Unit (QACU) has been set up in the ESSD Vice-Presidency to promote consistency in treatment of safeguard policy issues across the Bank and to give advice on addressing safeguard issues in projects. Regional safeguard coordinators funded with budget resources dedicated for safeguard policy activities have been appointed in each region for avoiding possible "conflict of interest" and ensuring full compliance with safeguard policies at the regional level. A group of regional safeguard policy coordinators and policy specialists meets regularly to discuss issues of harmonization of safeguard issues across the Bank.

• Strengthening systems and procedures to facilitate and monitor compliance with safeguard policies:

Systems and procedures to address safeguard policy issues have been further strengthened. Projects that pose special risk are jointly reviewed by regional management and the corporate QACU group prior to project appraisal. A revised environmental and social data sheet has been introduced which discusses all safeguard policies in an integrated manner and highlights issues requiring special consideration by Management. A safeguards help desk (safeguards@worldbank.org) has been established to provide real time assistance to Bank staff who want advice on addressing safeguard issues in particular situations.

• Better dissemination of safeguard policies among Bank staff as well as external stakeholders:

The training and dissemination program on safeguards has been revamped. Safeguards training is being extended to cover all operational staff, including managers, with substantial emphasis on training of Bank staff in the field offices. In collaboration with the World Bank Institute, outreach to policy makers and implementers in borrowing countries is being extended. Additional emphasis is planned for establishing borrower policies and building institutions for implementing safeguard policy issues in-country.

4. What is the process being followed for the revision of the Bank's policy on Indigenous Peoples?

The Bank's policy on Indigenous Peoples is currently being converted from OD 4.20 to OP/BP 4.10. The policy is being converted from an OD format which combines policy, procedures and good practice information into an OP/BP format that clearly distinguishes between policy and procedures. External consultations on a draft policy document, OP/BP 4.10, will be undertaken starting in the summer of 2001. The draft documents will be posted on the World Bank's external web site with translations into other languages of the Bank to solicit comments from non-governmental organizations (NGOs), civil society, and other stakeholders. Meetings will also be held with governments, NGOs, and indigenous peoples organizations in selected countries in all of the Bank's six regions. The draft policy will also be presented in international fora on indigenous peoples issues during the next few months to obtain feedback from academics, researchers, and development practitioners. The results of the consultations will be shared with external stakeholders before the draft policy is forwarded to the World Bank's Board of Directors for their consideration.
5. Are the provisions of the indigenous peoples policy being diluted as part of the conversion process?

The provisions of the policy are not being diluted as a result of the policy conversion process. The policy is currently under the process of conversion and a draft has been prepared for consultations with external stakeholders. Based on the comments received and discussions with internal stakeholder including the Bank's Executive Directors, the policy conversion is expected to be completed by December, 2001.

The objectives and principles of the current policy are being fully maintained. The revised policy will clarify ambiguities in the earlier version and promote better implementation of the policy. The mandate given by senior Bank Management to the Environmentally and Socially Sustainable Development (ESSD) Vice-Presidency is to fully preserve the current standards of the current policy on indigenous peoples. The Bank is committed to revising the indigenous peoples policy in a manner that maintains the standards of the current policy.

The revised policy draft strengthens the mandatory provisions in comparison to the current OD 4.30. The draft OP/BP 4.10:

- provides clearer provisions for early and meaningful consultation and informed participation of affected groups;
- not only mandates mechanisms to avoid adverse impacts, but also to tailor benefits to indigenous peoples;
- adds new mandatory requirements for the commercial use of natural resources (including forests, mineral, and hydro-carbon resources); on lands owned, or customarily used by, indigenous groups; and for commercial use of cultural resources (including their knowledge); and
- contains good practice guidance to Borrowers on measures to undertake in the context of poverty reduction strategy.

6. How many Bank-supported projects involve involuntary resettlement? What percentage of all projects under implementation involve resettlement?

About 300 Bank supported projects involve involuntary resettlement (which includes land acquisition without relocation). The percentage of projects requiring resettlement is about 20 percent of the Bank's portfolio.

7. Approximately how many people are affected by the projects in the Bank's resettlement portfolio?

At the time of the Bank's last review in early 2000, 2.6 million individuals and 548,000 households were found to be adversely affected in Bank projects under implementation. The numbers represent those physically or economically displaced as a result of land acquisition, or otherwise affected by minor land acquisition, and not just those who are physically relocated.

8. What is the status of the conversion of the Bank's policy on involuntary resettlement?

The conversion of the Bank's policy on involuntary resettlement has been completed. The revised policy took effect as of January 1, 2002.

9. How is voluntary resettlement different from involuntary resettlement? How is free choice determined?

Resettlement is voluntary only when the affected people have the option to refuse resettlement, and they nevertheless resettle based on informed consent.
Thus, if the affected people do not have the option to refuse resettlement, their willingness to accept the provisions of the resettlement plan does not make the resettlement voluntary.

Free choice is determined by a number of methods. Involvement of community organizations, independent academic institutions and NGOs in the process of verification of "free choice" as well as third party verification by "out of country" consultants are some of the ways in which free choice may be determined. The resettlement sourcebook to be issued within three months after the revised resettlement policy is issued, will discuss this issue in further detail.

Resettlement is voluntary only when it is not involuntary, i.e., when the resettler has the choice not to move, but nevertheless moves based on informed consent (see footnote 7 of the OP). When the voluntary nature of resettlement cannot be confirmed, resettlement would be treated as involuntary.

10. Could the proposed application of the resettlement policy to "complementary" activities not financed by the Bank, significantly expand the coverage of the resettlement policy?

The intention of the OP/BP is not to unduly expand the policy's coverage, but rather, to cover only the activities that are (a) directly and significantly linked to the project; (b) are necessary to achieve the project's objectives; and (c) are carried out in anticipation of the Bank-assisted project. The draft OP is being revised to clarify this point.

11. Why are people whose access to parks and protected areas is restricted under Bank-assisted projects consulted only during project implementation?

In Bank-supported projects involving involuntary restriction of access to parks and protected areas, the scope of the restrictions, as well as the corresponding mitigation measures are determined only after following a participatory process undertaken during project implementation. The objective of participation by the affected people in these projects is not merely to improve the design of mitigation measures but also to obtain their views on the nature of restrictions, and therefore the design of the project. The OP/BP requires the borrower to prepare a "process framework" which describes the proposed participatory process for designing and implementing restrictions as well as corresponding mitigation measures. In addition, before any restrictions on access are imposed under the project, the borrower must prepare an action plan, acceptable to the Bank, describing the specific measures to assist those whose access will be restricted. Access of the affected people to relevant information is also fully preserved in the process framework.

12. How is the draft OP's approach to land based resettlement options different from the policy under the existing OD4.30? Would the proposed changes limit the options of displaced person to cash in situations where sustainability of protected areas is adversely affected or when sufficient land is not available?

The draft OP/BP retains the OD's preference for land-based resettlement strategies for those displaced from agricultural settings. As under the OD, the OP/BP allows for non-land based strategies if suitable land is unavailable. However, under the OD, the search for land is generally limited to available public land. The OP/BP would enhance the OD's provisions by specifying that the resettlement strategy may include resettlement on land purchased in the open market in addition to public lands. Thus, the revised policy introduces provisions that would substantially increase the likelihood of identifying replacement land for those displaced from agricultural settings.

In situations where the sustainability of a park or protected area may be adversely affected by provision of land, land may be provided outside the park or protected area.
In cases where sufficient land is not available, the affected people would be paid cash compensation, even under the existing OD. The draft OP actually increases the likelihood of identifying replacement land by including the possibility of purchasing land in the open market.

13. Why should displaced persons who do not have any claim to the land be provided resettlement assistance instead of compensation?

OP 4.12, Para. 15 stresses that even displaced persons who have no claim to the land need to be assisted (provided “resettlement assistance”) in a manner which helps them improve, or at least restore their standards of living, which is a key objective of the policy. It introduces flexibility in determining the range of measures that can be provided to help restore their standards of living. Past experience has shown that borrower agencies are willing to assist such people with measures to help restore their standard of living but find it difficult to pay “compensation” since compensation can only be paid to those who have established rights under many national legal systems.

Para. 15 of the OP also clarifies that those who encroach the project area after the established “cut-off” date are not provided compensation or any other form of resettlement assistance.

14. Is the proposed “resettlement assistance” substantially different from “compensation”? Should the provisions relating to resettlement assistance be removed from the OP/BP and included in good practice guidance instead?

The objective of both provision of “resettlement assistance” to those without legal claims and payment of “compensation” to those with legal claims is the same: “to improve or at least to restore the incomes and standards of living of all displaced people”. The distinction is designed to eliminate difficulties experienced under the existing OD, which simply provides that “absence of legal title would not be a bar to compensation”. Experience shows that borrower agencies are willing to assist people without legal claims restore their standard of living but find it difficult to pay “compensation” since compensation can only be paid to those who have established rights under many national legal systems. The OP further introduces flexibility in determining the range of measures that can be provided to help restore their standards of living.

Since the requirement of assisting even those without title is included in the existing OD, it would be within the scope of this conversion to eliminate the requirement and replace it with good practice guidance.

15. What is the rationale for assigning environmental assessment categories to projects with involuntary resettlement?

The presence of resettlement impacts in a project does not, in and of itself, trigger an environmental category “A” classification for the project. In fact, only 40 percent of the Bank-financed projects involving resettlement that are currently under implementation are classified as category “A” projects for environmental screening purposes. The requirements of OD4.30 or the draft OP 4.12 are not contingent upon environmental categorization. A project is categorized as an “A” on the basis of resettlement impacts if the environmental impact of the resettlement program is substantial and irreversible.

16. What does the Bank do to address issues related to the design and implementation of resettlement programs in the projects it supports?

Bank staff work with the borrower from the early stages of project preparation to minimize resettlement impacts, to the fullest extent feasible, and mitigate any unavoidable adverse impacts through detailed resettlement plans. In addition to the task team, staff in ESSD review the resettlement plans to ensure their consistency with the requirements of OD4.30 prior to project approval. For projects where resettlement may pose a significant issue, the regional ESSD teams involve the Quality Assurance and
Compliance Unit (QACU) in the review of the project. During project implementation, Bank staff regularly supervise projects to identify issues and problems that arise, discuss their findings with the borrower, and follow up on borrower efforts to address them.

17. Do Bank projects involve external or independent monitoring of resettlement implementation?

While most projects involve some form of monitoring by the project implementing agency, projects with major resettlement impacts are also monitored by competent organizations independent of the borrower, who are engaged by the borrower for this purpose. Bank staff discuss the findings of these independent monitoring agencies with the borrower during supervision, and agree on plans to follow up on the findings of the monitoring exercise.

18. What does the Bank do in situations of differences between its resettlement policy and local policies?

The Bank ensures that for projects it finances that involve involuntary resettlement, the borrower puts in place an adequate institutional and procedural framework to address the resettlement impacts of a project. If the local policy framework is inadequate, borrowers are required to put in place a project-specific framework to assist all categories of affected people.

19. What does the Bank do in the event of major problems in resettlement implementation? Is the Bank responsible for supervising resettlement activities in projects that have closed?

Bank-financed projects are implemented by the borrowing countries and their implementing agencies. The borrower is responsible for effective implementation of resettlement plans that are developed by them and agreed with the Bank. Bank staff are required to evaluate the resettlement plans prior to project approval, in order to ensure their consistency with the requirements of the Bank's resettlement policy. The Bank is responsible for supervising the resettlement to ensure that it is carried out in accordance with the measures described in the resettlement plans. The actual impact of the Bank's resettlement policy has often been to improve the resettlement framework for addressing resettlement issues in Bank-supported projects.

If a loan is closed before such plans are fully implemented, the Bank may continue supervision until they are fully implemented.

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