

July 24 2014

Dear Dr. Hasan,

We are a group of concerned Egyptian civil society organizations (CSOs) many of whom have been engaged in the World Bank's Environmental and Social Safeguard Policy review process since it began. We have previously shared our recommendations and concerns with your office as part of your constituency and with the Bank's safeguard team in written form and in face-to-face meetings. We now want to stress that we are not satisfied with the draft version of the policies you are being asked to discuss with the Board on July 30<sup>th</sup> 2014. We feel there are a number of changes that need to be made before this draft is endorsed for Phase 2 consultations. The most important of these changes are based on the concerns below:

- The proposed framework defers the responsibility of the safeguards from the Bank to the borrowing government and gives it the discretion and flexibility to implement these key standards as it sees fit, leaving open the possibility for less accountability.
- The framework does not provide deadlines for government compliance and instead you as a Board member will be asked to approve projects before being reassured about how the project's risks are going to be mitigated and based only on promises from the borrowing government that those risks will eventually be mitigated during implementation of the project.
- There is a lack of evidence that the Bank is planning to enhance its monitoring and supervision of projects, and instead will rely on the information provided by the government to conduct its due diligence. This is extremely concerning to us with respect to accountability and ensuring social and environmental protection.
- Contrary to what we were expecting and hoping, the proposed language marks a severe weakening of the current safeguards. The draft is filled with language which allows the Bank and the government to use their discretion regarding how and when to apply a number of measures to protect people and the environment, thereby diminishing any of the advancements of the policies/standards. In other words there are far too many loopholes, and vague language will lead to confusion and a lack of accountability in implementation.
- As a professed leader of development, we were under the impression that the Bank intended to align its safeguards with the highest international standards, particularly those of other multi-lateral development banks. Instead we are seeing that the Bank has failed to do this and that the proposed policies are notably weaker than those of the Bank's peer organizations in many areas.
- Overall there is not enough information or detail in this document for there to be meaningful consultation in Phase 2. There is no detailed implementation plan, no proposed budget to prove how the framework is going to work, and no Bank procedures to explain the *how*.

Beyond these broad points, there are a number of specific issues that we as Egyptians feel are red flags and that need to be urgently addressed:

- Labor: We are pleased that the Bank is including a new labor standard but it is extremely weak and it is unclear how many workers it will protect. The narrow and vague definition provided by this document for "project worker" to whom this standard will be applied appears to be excluding many potentially affected workers (ESS2, para 3). Most importantly there is no reference to the International Labor Organization (ILO) convention or the core ILO standards.

The Bank's standard does not guarantee the right to freedom of association and the right to collective bargaining which are core rights for workers. Stating instead that these standards would apply if national law allows for it is not enough (ESS2, para 11). In the case of Egypt, our country has endorsed the relevant ILO conventions, but we continue to see numerous violations and so accountability and measures to ensure implementation are absolutely necessary.

- Stakeholder engagement: We are pleased the Bank is considering adopting a stakeholder engagement standard, but it is concerning to us that the responsibility to determine if, how, and with whom to consult will be left completely to the borrowing government (ESS10 para 7, 12) given that in the case of Egypt for example, the government does not have a good track record of conducting meaningful consultation.

As our representative on the World Bank's Board of Directors, we ask that you support our concerns when voicing your position on this draft, and that you recommend that changes be made to address these critical issues before the draft goes to consultation.

Thank you,

Signatories:

Egyptian Initiative for Personal Rights

Egyptian Center for Economic and Social Rights

Egyptian Center for Civil and Legislative Reform

Egyptian Association for Collective Rights

Habitat International Coalition

Forum of Dialogue and Partnership for Development

Tamkeen Institution for Development