

**Bank Information Center**  
**Summary of Top ESAM Concerns with World Bank Proposed Environmental and Social Framework<sup>1</sup>**  
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The attached table summarizes BIC's top concerns related to environment and social assessment with the World Bank's "Proposed Environmental and Social Framework."<sup>2</sup> The observations are drawn from a comparison of the leaked draft, current Safeguard Policies, BIC's ESAM model policy proposal, and IEG evaluation recommendations.<sup>3</sup> As analysis was based on a leaked draft, these observations are preliminary.

Combined, the observed changes constitute significant dilution, missed opportunities to meet higher international standards, and unacceptable gaps in essential information to fully assess the proposed changes to World Bank Safeguard Policies. These weaknesses do not appear to be adequately compensated by the noted efforts to broaden and improve risk management. The proposed draft is not acceptable as a consultation document and would benefit from substantial revisions before any next consultation would be useful. Ways in which the observed deficiencies in the draft might be addressed prior to consultation are listed under asks.

Approving the proposed draft Environment and Social Policy and Standards as is for consultation would undermine the integrity of the review process and leave doubt about the meaningfulness of consultations.

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<sup>1</sup> Based on World Bank "Proposed Environmental and Social Framework (First Draft), July 10, 2014, Environment and Social Policy (ESP); ESS1 - Assessment and Management of Environmental and Social Risks and Impacts; and ESS10 - Information Disclosure and Stakeholder Engagement

<sup>2</sup> First Draft, July 10, 2014. Particular attention is paid to Environment and Social Policy (ESP); ESS1 - Assessment and Management of Environmental and Social Risks and Impacts; and ESS10 - Information Disclosure and Stakeholder Engagement

<sup>3</sup> For BIC 2013 ESAM model policy, see <http://www.bicusa.org/issues/safeguards/environmental-and-social-assessment/>

ESAM Issue	Change	Status	Asks
<b>1. Open-Ended Compliance &amp; Deferred Appraisal</b>	Dilution	<i>ESP ¶ 7,13, 16 ( pg.11)</i> <i>ESS1 ¶ 6, 9 (pg 21)</i> IFC/EBRD type full flexibility, Weakened accountability	<ul style="list-style-type: none"> <li>• ESP Para 13 does not apply to High or Substantial risk activities;</li> <li>• Only applies to eligible Borrowers;</li> <li>• Routine 3rd party/indep. monitoring or audit</li> </ul>
<b>2. Use of Borrower Systems (ESMS)</b>	Dilution	<i>ESP ¶ 23-26, fn 13 (pg. 12-13)</i> <i>ESS1 ¶ 18-20 (pg. 23-24)</i> Project level, little detail on eligibility for use, gap analysis or disclosure	<ul style="list-style-type: none"> <li>• Ensure RSAs retain clearance authority on UCS, like Chf Procurement officer - w/ right to review or reject high/substantial risk projects from using Borrower E/S systems;</li> <li>• Routine use of independent, 3rd party monitoring or audits.</li> <li>• Clearly identify eligibility req's, or no high risk projects or exclusion list</li> <li>• Clarify key concepts such as "gap filling" with performance indicators (i.e. capacity, sequencing, budget)</li> </ul>
<b>3. Risk Categorization</b>	Dilution	<i>ESP ¶22; ESS1 ¶ 37</i> Narrowed "high" risk, Fewer reqs. for "substantive" risk projects	<ul style="list-style-type: none"> <li>• Meaningful SG reqs. for "substantial" risk, stronger than moderate risk;</li> <li>• Annex 1 - Exclusion list</li> </ul>
<b>4. ESMPs/ESCP</b>	Mixed,	<i>ESS1 ¶34-41 (pgs 27-28); 42-48 (pg 29)</i> E/S Commitment Plan disclosed after approval w/ few details on scope, leverage or accountability.	<ul style="list-style-type: none"> <li>• Disclose draft E/S Commitment Plan 120 days before approval for high/substantial risk projects</li> <li>• Establish clear criteria for ESCP re: disclosure, duration, leverage options, waivers, Borrower capacity &amp; implementing organizational structure, use of non-Bank standards, 3rd party monitoring &amp; audit, budget</li> <li>• Define minimum standards for consultation on ESCP</li> </ul>
<b>5. SG Implementa-tion I - Supervision &amp; reporting</b>	Dilution & some strengthening	<i>ESP ¶ 46-49 (pg. 17); ESS1, ¶49-55 (pg. 30)</i> Reliance on OP 10.0 - which diluted past WB supervision requirements in 2012;	<ul style="list-style-type: none"> <li>• Clear Bank role in defining E/S performance indicators; means of verification, budget for monitoring</li> <li>• Requirement for 3rd party monitoring of high risk projects or projects that have significant impacts on people or environment;</li> </ul>
<b>6. SG Implementation II - incentives, budget, SG structure</b>	?	<i>ESP ¶ 52- 57 (pg. 18); Lacks commitment to consult on Implementation Plan</i>	<ul style="list-style-type: none"> <li>• Disclosure and consultation of full implementation plan as part of CODE package</li> <li>• Disclose of Bank SG baseline capacity compared to portfolio risk</li> <li>• RSA clearance of all projects</li> <li>• Off-the-top, increased budget for SG specialists, esp. supervision</li> <li>• Dedicated SG Practice Manager w/in E/S GPs</li> <li>• Detailed options for Borrower capacity building</li> </ul>
<b>7. Scope - DPLs, PforR</b>	No Upward Harmonization	<i>ESP ¶1, fn 1 (pg. 8)</i> No commitment to OP 8.60 policy change; some coverage of TF, TA.	<ul style="list-style-type: none"> <li>• Written commitment to review OP 8.60 after IEG evaluations, before approval of new safeguard policies.</li> </ul>
<b>8. Expanded social assessment</b>	Mixed	<i>ESP ¶4b fn 9 (pg. 9); ¶ 45 (pg 16); ESS1 ¶26b-28 (pg 26), ESS 2, 4, 5, 7, 8</i> General lack of detail, scope, method clarity, accountability.	<ul style="list-style-type: none"> <li>• See specific social risk recommendations</li> <li>• Clarify "differentiated measures"</li> </ul>