

Matrix of World Bank Operational Principles - A Comparison of Annex A Objectives and Operational Principles for Country Systems Approach with existing World Bank Operational Principles

Center for International Environmental Law
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The World Bank has produced a paper (Country Systems paper) outlining how it intends to devolve, to borrower governments, responsibility for implementation of safeguard policies and procedures (the original draft was published in September, the final draft in October).

Table A1 in Annex A of the Country Systems paper is Management's extraction of the "objectives and key underlying operational principles" of the safeguard policies. The paper describes the role of Table A1 Annex A as such:

"It is proposed that once Annexes A (including Table A1) and B of this paper are revised to take account of public comments and their policy content is approved by the Board, they should serve as the policy and procedural framework (OP/BP) for piloting the use of country environmental and social safeguard systems in operations approved under the pilot program."

OPs (Operational Principles) establish parameters for the conduct of operations and explain when exceptions are admissible. BPs (Bank Procedures) explain how Bank staff carry out the policies in OPs. Annex A is going to serve as both the OP and BP under the country system approach.

Annex B describes the processes by which pilot projects are selected and equivalency is determined. This analysis revolves around whether there the borrower countries have appropriate legislation and capacity to satisfy Table A1 - the original OP and BP are not acknowledged at all.

The current Operational Principles, Bank Procedures, and their Annexes are at least 65 pages long. Table A1 of Annex A is 3 pages long. The objectives and operational principles in Annex A Table A1 have the following common themes:

- Important requirements and safeguards are lost.
- There are no definitions to key terms that are otherwise ambiguous.
- The role of Bank staff is unclear. Very little from the BP has been retained in Table A1.
- Throughout, where the OP and BP required disclosure to or involvement by project-affected groups, the draft simply requires disclosure to "key stakeholders." Nowhere is this term defined. It could be used to severely limit the persons who have access to the project process.
- Loss of independent assessment of and contribution to projects. While independent panels, advisors, scientific peers, and other experts are required or strongly suggested throughout many of the OP and BP, the draft either leaves those requirements out or adds the qualification "as necessary."

In the original letter regarding the Country Systems approach, a country's system was "equivalent" if the country was planning to make improvements (had "planned improvements") that incorporated the synthesized principles and objectives. In the October final draft, the Bank may "take account of agreed improvements" in determining whether there is equivalency. This seems to amount to the same thing: a country can achieve "equivalency" without actually having the necessary rules and regulations in place to ensure even this minimal level of safeguards.

"The Bank considers a country's relevant safeguard systems to be equivalent to its own safeguards policy framework **if they are designed to achieve the objectives and adhere** to the operational principles set out in Table A1." - **should be if they *achieve the objectives and adhere to the operational principles.***

"To promote transparency and facilitate accountability, the Bank makes publicly available its analysis of equivalence before project appraisal, including a description of the applicable country systems, **and actions that would achieve or sustain equivalence.**" - **should be "actions to be taken prior to Board consideration to achieve equivalence, and actions to be taken after to sustain equivalence."**

In the tables below, Annex A Table A1 *in full* is in the left column. The right column explains whether Table A1 (referred to as "the draft") has added something (+), or left out a point from the OP or BP (-). At the bottom of each table is a section for General Comments, which includes some analysis.

The following abbreviations are used (as the World Bank uses them):

RESU - regional environmental sector unit

ENV - environment department

LEG - legal vice president

RVP - regional vice president

TT - task team

TL - team leader

TM - task manager

Topic: **Environmental Assessment**

<p>Objectives and Operational Principles</p>	<p>Relevant Current Policies: OP 4.01 - Environmental Assessment Annex A - Definitions Annex B - Content of EA Report Annex C - Environmental Management Plan BP 4.01 - Environmental Assessment Annex A - Environmental Data Sheet Annex B - Application of EA to Dam and Reservoir Projects Annex C - Application of EA to Projects Involving Pest Management</p>
<p>Objective: To help ensure the environmental and social soundness and sustainability of investment projects.</p>	<p>– OP 4.01 includes the language: “and thus to improve decision making.”</p>
<p>1. Screen early to define scope and scale of Environmental Assessment (EA) taking account of direct, and, as relevant, indirect, cumulative, and associated impacts.</p>	<p>– OP 4.01 requires initiating the process “as soon as possible,” more specific and urgent than “early.”\</p> <p>– Under OP 4.01, the Bank “does not finance “ project that contravene the country’s international environmental agreements.</p> <p>– OP 4.12 (Involuntary Resettlement) references that if adverse indirect social or economic impacts might result, a social assessment should be done and measures to minimize or mitigate such impacts implemented. There is no mention in the draft of <i>social</i> assessments.</p> <p>– OD 4.20 (Indigenous Peoples) also refers to social impact assessments, which, along with environmental assessments, should identify issues for indigenous peoples.</p> <p>+ The August revised version of OP 4.01 does not include any reference to indirect, cumulative, or associated impacts.</p>
<p>2. Assess in EA potential impacts to physical, biological, socioeconomic and physical cultural resources from the proposed project. Assess, where appropriate, transboundary and global concerns and potential impacts on human health and safety.</p>	<p>Under OP 4.01, potential impacts to be assessed were “natural environment (air, water, and land); human health and safety; social aspects (involuntary resettlement, indigenous peoples, and cultural property)”</p> <p>+ Adds “socioeconomic” impacts</p> <p>+ Potentially requires assessment of a broader range of impacts</p> <p>– Because the categories of impacts listed are vague and no examples are given, potentially fewer impacts might be assessed.</p> <p>– Under OP 4.01, transboundary and global concerns and potential impacts on human health and safety are <i>always</i> taken into account. The draft leaves this up to “where appropriate.”</p> <p>– Under OP 4.01, EA must be integrated closely with the economic, financial, institutional, social, and technical analyses of a proposed project.</p> <p>– OP 4.04 (Natural Habitats) requires an EA to assess whether the project would significantly convert or degrade natural habitats. Not explicitly required in Table</p>

	<p>A1.</p> <ul style="list-style-type: none"> – OP 4.36 (Forests) requires the <i>Bank</i> to use environmental and poverty assessments and other work to determine the “economic, environmental, and social <i>significance</i> of forests” in the borrowing countries. The draft has the <i>borrower</i> undergo an EA and no poverty assessment, and it requires determination only of the impacts of the project, not the significance of the resource. – OP 4.36 (Forests) requires an EA to address the potential impacts on the forest and the rights and welfare of the local communities. The draft probably covers the forest impacts under “physical,” and welfare under “socioeconomic,” but there is nothing to indicate that the <i>rights</i> of the local communities will be addressed.
<p>3. Scale studies to correlate to the nature and magnitude of the potential impacts of the proposed project and its ancillary aspects.</p>	<ul style="list-style-type: none"> – BIG CHANGE from classifying proposed projects into one of 4 categories based on severity of potential environmental impacts (A, B, C, and FI). As a result, lose all the requirements that hinged on whether a project was Category A or B. – Draft doesn’t explicitly require sectoral or regional EA if sectoral or regional impacts as OP 4.01 does. – BP 4.01 sets up a task team that places the proposed project in one of the 4 categories at the earliest stage of the project cycle. – BP 4.01 requires that projects be categorized by the component with the potentially most serious adverse effects.
<p>4. Assess adequacy of the applicable legal and institutional framework.</p>	<ul style="list-style-type: none"> – Under OP 4.01, if there is inadequate legal or technical capacity, the project must include components to strengthen capacity. “Assessing” adequacy does not necessarily lead to strengthening it. – BP 4.01 Annex B on Dams requires the TT of the <i>Bank</i> assess the environmental soundness of the country’s macroeconomic and sector policies. – BP 4.01 Annex C on Projects Involving Pest Management requires that the TT of the <i>Bank</i> evaluate in <i>any</i> EA of the agriculture or health sector the country’s capacity to manage the procurement etc of pest control products, monitor the precision of pest control use and its impacts, and develop and implement ecologically based pest alternative programs.
<p>5. Assess feasible investment, technical, and siting alternatives, including the “no action” alternative, and the costs, sustainability, and institutional and training requirements associated with them.</p>	<ul style="list-style-type: none"> + Assessing the “sustainability” of alternatives <ul style="list-style-type: none"> – No indication of what ‘sustainability’ means. When the WB uses it in other contexts, it always includes the long-term financial viability of a project. This is too vague as an EA requirement. – Leaves out assessing the <i>environmental</i> impacts. – Alternatives are assessed differently under OP 4.01 Annex B. Capital and recurrent costs and institutional and training requirements are examined, just as in the draft, but so are the potential environmental impacts, the feasibility of mitigating those impacts, their suitability under local conditions, and their monitoring requirements. – Under OP 4.01, if an EA report recommended

	<p>alternative emission levels and approaches than those suggested in the <i>Pollution Prevention and Abatement Handbook</i>, a full and detailed justification was required.</p>
<p>6. Involve stakeholders in the preparation process through early consultation, and ensure that their views and concerns are made known to decisionmakers and taken into account.</p>	<ul style="list-style-type: none"> – “Early” consultation is not “as early as possible” like OP 4.01 – Not clear who “stakeholders” are - OP 4.01 requires involving project-affected groups and NGOs. – For Category A projects there are two specific times when borrower must consult project-affected group and local NGOs: after environmental screening and once a draft EA report is prepared. – OP 4.01 requires consulting with project-affected groups and local NGOs throughout the project implementation as necessary to address EA-related issues that affect them.
<p>7. Use independent expertise in the preparation of EA where appropriate. Use independent advisory panels during preparation and implementation of complex projects.</p>	<p><i>Independent expertise:</i></p> <ul style="list-style-type: none"> – 4.01 must retain independent EA experts in all Bank-classified Category A projects. Not “where appropriate.” – To “use” independent expertise is not the same as “retaining” one to “carry out the EA.” <p><i>Independent advisory panels:</i></p> <ul style="list-style-type: none"> – Under 4.01, the “normal” is for the borrower to engage a panel for highly risky, contentious projects or if serious and multidimensional environmental concerns. “Complex” does not sufficiently cover those situations. – BP 4.01 Annex B on applying EA to Dam and Reservoir Projects requires independent experts, acceptable to the Bank, to ascertain the scope of the EA, assess the borrower’s capacity to manage the EA process, identify potential environmental impacts, and advise on the need of an independent advisory panel. Furthermore, the TT determines whether such a panel’s TOR and shortlists are acceptable to the Bank.
<p>8. Avoid, minimize, or compensate for adverse project impacts and enhance positive impacts through environmental planning that includes the proposed mitigation measures, monitoring, institutional capacity development and training measures, an implementation schedule, and cost estimates.</p>	<ul style="list-style-type: none"> – 4.01 favors prevention over mitigation and compensation. The draft places them on the same level. – The draft lists measures that are the headings of OP 4.01 Annex C, which describes the contents of and process for creating an “Environmental Management Plan.” Because all of the details under those headings are lost, it is more likely that they will not be integrated into the rest of project planning.
<p>9. Apply principles in this Table to subprojects, as applicable and relevant.</p>	<ul style="list-style-type: none"> – Requiring EA for subprojects only when “applicable and relevant” is very different from OP 4.01, which requires sector investment loans and financial intermediary operations to carry out appropriate EA for each subproject. – Under OP 4.01, if sectorwide issues cannot be addressed through individual subproject EAs, sectoral EAs may be required.
<p>10. Disclose EA, before appraisal, in an accessible place and in a form and language understandable to key stakeholders</p>	<ul style="list-style-type: none"> + Disclosure required for all EA, not just Category A and B projects. – 4.01 requires disclosure to project-affected groups and local NGOs; not necessarily included as “key” stakeholders. – For Category A projects, 4.01 requires disclosure for

	<p>the initial consultation (before draft EA is even prepared) and draft EA reports available at a public place. Public availability of Category A reports with IBRD or IDA financing and Category B reports with IDA funding are <i>prerequisites</i> to Bank appraisal.</p> <p>– 4.01 requires disclosure prior to <i>consultation</i>, thus making it timely for meaningful consultations.</p>
<p>Additional Comments</p> <p>- The role of the World Bank is vague - particularly so because the Bank Task Team is given a lot of specific tasks under BP 4.01, including discussing the EA with the borrower, having environmental specialists make field visits for Category A projects, assisting the borrower in drafting terms of reference for EA reports, review the qualifications of consultants retained to prepare the EA report or serve on a panel, supervise a project’s environmental aspects, ensure adequate environmental expertise on supervision missions, ensure that environment-related covenants are in the monitoring system, and ensure that reports on project progress adequately discuss borrower’s compliance. Furthermore, it doesn’t appear that there is any requirement to educate the borrower about the standard World Bank practices through the <i>Pollution Prevention Handbook</i> or the <i>Content of an EA Report for a Category A Project</i> and <i>Environmental Management Plan</i>. Nor are there guidelines for what an appraisal mission team should do. There are also instructions for the Bank TT in BP 4.01 Annex C, regarding Projects that Involve Pest Management, that are not reflected in the draft.</p> <p>- There is no mention in the draft of what to do in an emergency. OP and BP 4.01 recognize that emergencies occur, and they make exemptions subject to approval by the RVP. Emergencies will occur, and without a proper system of approving exemptions the EA process could be bypassed unnecessarily and without proper follow-up.</p> <p>- not a social assessment</p> <p>- 5. assess “feasible” alternatives, assess “where appropriate” potential impacts on human health and safety, apply principles “as applicable and relevant”, use independent expertise “where appropriate”</p> <p>- it does not create a level playing field for countries.</p>	

Topic: **Natural Habitats**

Draft Objectives and Operational Principles	Relevant Current Policies: OP 4.04 - Natural Habitats BP 4.04 - Natural Habitats Annex A - Definitions
Objective: To promote environmentally sustainable development by supporting the protection, conservation, maintenance, and rehabilitation of natural habitats and their functions.	<ul style="list-style-type: none"> + Adds goal of promoting “maintenance” of natural habitats. – Drops OP 4.04’s expectation that borrowers apply a “precautionary approach to natural resource management” – Drops OP 4.04’s support for integration of conservation and ecological function maintenance into national and regional development.
1. Avoid significant conversion or degradation of critical natural habitats that are (a) legally protected, (b) officially proposed for protection, or (c) unprotected but of known high conservation value.	<ul style="list-style-type: none"> – Weakens prohibition of significantly converting or degrading critical natural habitats - instead of <i>not</i> supporting such projects, simply must <i>avoid</i> that harm – Narrows definition of “critical natural habitats,” leaving out areas recognized as protected by traditional local communities, sites that maintain conditions vital for the viability of protected areas, and sites on supplementary lists prepared by the Bank because they are critical for rare, vulnerable, migratory, or endangered spp or for other reasons. – Under BP 4.04, task team leader (TL) identifies natural habitat issues early in the project preparation, consulting with the RESU and, as necessary, ENV and LEG. – Under BP 4.04, costs of conservation of compensatory natural habitats are included in project financing. No mention of financing in the draft. – Draft doesn’t mention when natural habitat issues should be identified. BP 4.04 requires the TL to identify those issues in the Project Information Document.
2. Support projects that adversely affect noncritical natural habitats only if alternatives are not available, and if appropriate conservation and mitigation measures are in place.	<ul style="list-style-type: none"> + Requires appropriate mitigation measures for any adverse effects, not just significant conversion or degradation. – OP 4.04 allows projects that adversely affect natural habitats only if there are no alternatives <i>and</i> a “comprehensive analysis” demonstrates that the overall benefits from the project substantially outweigh the environmental costs. – “Appropriate conservation and mitigation measures” are no longer defined. The existing definition requires it to remove or reduce adverse impacts on natural habitats or their functions, within socially defined limits of acceptable environmental change. There must always be a provision for monitoring, feedback, guidance on corrective actions. Furthermore, mitigation measures other than minimizing habitat loss and establishing and maintaining an ecologically similar protected area are only accepted when “technically justified.” – Under BP 4.04, justifying those “other” mitigation measures requires consulting with the RESU, ENV, and

	<p>LEG and obtaining the RVP's approval</p> <ul style="list-style-type: none"> – Drops preference for siting projects on lands already converted whenever feasible. – Under BP 4.04, potential for significant conversion or degradation of natural habitat classifies a project as Category A under the EA process. – Under OP 4.04, in deciding whether to support a project with potential adverse impacts on a natural habitat, the Bank takes into account the borrower's ability to implement to appropriate conservation and mitigation measures. If there are capacity problems, the project must develop the capacity of national and local institutions. – Under OP 4.04, appropriate environmental expertise must be included for mitigation measures.
<p>3. Consult key stakeholders in design, implementation, monitoring, and evaluation of projects, including mitigation planning.</p>	<ul style="list-style-type: none"> – OP 4.04 requires that borrowers include project-affected groups - such as local NGOs and local communities - in the project, not just "key stakeholders." – OP 4.04 requires the borrower to "involve" those people in the different stages of the project and to take into account their views, roles, and rights, as opposed to simply consulting them. Consulting implies less of an active role in the monitoring and managing stages, and it's not clear what the difference between consulting and involving is at other stages.
<p>4. Disclose mitigation plans, before appraisal, in an accessible place and in a form and language understandable to key stakeholders.</p>	<p>+ New requirement of disclosure that is accessible and understandable and at a certain point in the process</p> <ul style="list-style-type: none"> – Only requiring disclosure to <i>key stakeholders</i> is narrower than OP 4.04's expectation to take into account the views and rights of NGOs, local communities, and other affected groups. These groups would not necessarily be considered "key."
<p>Additional Comments:</p> <ul style="list-style-type: none"> - Lack of detail means important phrases are undefined (natural habitat, critical habitat, significant conversion, degradation, and appropriate conservation and mitigation measures). - Many documentation requirements have been dropped (Project Information Document, Project Appraisal Document, Implementation Completion Report). As a result, there is no assurance of proper pre-project scrutiny, project appraisal, or post-project follow-up. - The role of Bank staff is unclear because so many tasks have been left out of the BP: TL consultation with RESU, ENV, and LEG to identify issues; consultation on mitigation requirements with RESU, ENV, and LEG and approval by RVP; RESU coordinating supplementary critical natural habitat lists and assisting with project preparation and supervision; ENV disseminates best practices and provides training, reviews, etc. - The lack of consideration of a precautionary approach is a significant problem. 	

Topic: Pest Management

Objectives and Operational Principles	Relevant Current Policies: OP 4.09 BP 4.01 Annex C - Application of EA to Project Involving Pest Management
Objective: To minimize and manage the environmental and health risks associated with pesticide use and promote and support safe, effective, and environmentally sound pest management.	Same.
1. Promote use of biological or environmental pest management practices (Integrated Pest Management [IPM] in agricultural projects and Integrated Vector Management [IVM] in public health projects) and reduce reliance on synthetic chemical pesticides (Reference: WHO's "Recommended Classification of Pesticides by Hazard and Guidelines to Classification").	– OP 4.09 describes the use of IPM and IVM as the “normal” approach to pest management, with the use of pesticides only if justified or needed to be effective. The draft only requires the “promotion” of their use.
2. Procure pesticides contingent on an assessment of the nature and degree of associated risks, taking into account the proposed use and intended users.	<p>– OP 4.09 contains more specific criteria for the selection and use of pesticides (must have negligible adverse human health effects; must be shown effective against the target species; must have minimal effect on nontarget species and the natural environment; and must take into account the need to prevent the development of resistance in pests).</p> <p>– Under OP 4.09, the Bank does not finance formulated products that are in WHO classes IA and IB, or formulations of products in Class II, if (a) the country lacks restrictions on their distribution and use, or (b) they are likely to be used or accessible to lay personnel and others without training, equipment, etc.</p> <p>– Draft doesn't say who assesses the risks. Under BP 4.01 Annex C, the task team assesses whether potential pest management issues may be raised and classifies them as Category A in certain circumstances and requires a hazard assessment in other circumstances.</p> <p>– BP 4.01 Annex C requires pest control product screening any time a project finances pest control products. It also describes when screening without a pest management plan may be allowed. Without pest control screening, there is no authorized list of products approved for financing, and thus no guide for the Bank.</p>
3. Procure only pesticides that are manufactured, packaged, labeled, handled, stored, applied and disposed of according to acceptable standards (Reference: FAO Pesticide Guidelines on Storage, Labeling and Disposal, 1985).	– OP 4.09 includes the FAO <i>Guidelines for the Disposal of Waste Pesticide and Pesticide Containers on the Farm</i> (Rome, 1985) as well as the listed reference, and describes them as “minimum” standards.
4. Support policy reform and institutional capacity development to (a) enhance implementation of IPM- and IVM-based pest management, and (b) regulate and monitor the distribution and use of pesticides.	<p>+ New explicit requirement for countries to support policy reform and institutional capacity development.</p> <p>– The Bank is no longer required to support IPM and assess pest management.</p> <p>– The Bank is no longer required to assess the capacity of the country's regulatory framework and institutions.</p>

<p>5. Disclose mitigation plans before appraisal in an accessible place and in a form and language that are understandable to key stakeholders.</p>	<p>+ New disclosure requirement specific to Pest Management. – Under BP 4.01 Annex C, the TT ensures that the EA considers alternative designs and mitigation measures.</p>
<p>Additional Comments:</p> <ul style="list-style-type: none"> - IPM is no longer defined - OP 4.09 defines IPM as involving specific practices, such as managing pests rather than eradicating them and relying on nonchemical measures to the extent possible. The term “IPM” on its own, however, is vague and does not necessarily mean the same thing in all parts of the world. - The role of Bank staff is unclear - BP 4.01 Annex CC requires the TT to record pest management issues that will be addressed in the Project Concept Document and Project Information Document, ensure that an EA evaluates the country’s capacity to manage, monitor, and develop pest management programs, and record pest management concerns in the Project Appraisal Document, and supervise with appropriate technical specialists depending on the issues. - A pest management plan is no longer required - it is a comprehensive plan developed if significant pest management issues exist (examples are given) or if proposed financing of pest control products represents a large component of the project. 1st phase - initial reconnaissance to identify main pest problems and contexts, define broad parameters. 2nd phase - development of specific operational plans. 	

Topic: **Involuntary Resettlement**

Objectives and Operational Principles	Relevant Current Policies: OP 4.12 Annex A - Involuntary Resettlement Instruments BP 4.12
Objective: To avoid or minimize involuntary resettlement and, where this is not feasible, to assist displaced persons in restoring or improving their livelihoods and standards of living in real terms relative to predisplacement levels.	<ul style="list-style-type: none"> – 4.12 sets up a hierarchy of improving livelihoods before restoring them. The draft gives improvement and restoration the same priority. – OP 4.12 adds after “improving their livelihoods...relative to predisplacement levels” : “or to levels prevailing prior to the beginning of project implementation, whichever is higher.”
1. Assess viable alternative designs to avoid, where feasible, or minimize involuntary resettlement.	<p>Under this sentence structure, viable alternative designs do not have to be chosen, they just have to be assessed.</p> <ul style="list-style-type: none"> – In 4.12, if it is not feasible to avoid resettlement, the resettlement activities must be done as sustainable development programs, enabling the displaced persons (DP) to share in project benefits. Not in draft. – In BP 4.12, TT assesses the extent to which project design alternatives have been considered.
2. Identify and address the potential economic and social impacts of the project that are caused by involuntary taking of land (e.g., relocation or loss of shelter, assets, loss of income sources) or involuntary restriction of access to legally designated parks and protected areas. Identify and address impacts also if they result from other activities that are (a) directly and significantly related to the proposed project, (b) necessary to achieve its objectives, and (c) carried out or planned to be carried out contemporaneously with the project.	<ul style="list-style-type: none"> – OP 4.12 included loss of <i>access</i> to assets as involuntary taking of land. – Draft includes loss of income source, but OP 4.12 explicitly says that loss of income source qualifies even if affected person doesn't have to move. – No longer says that policy applies regardless of source of financing. – No mention of Bank involvement in assessment. <p>Under BP 4.12, Task Team identifies potential involuntary resettlement and works with borrower staff to assess nature and magnitude of displacement and explore all viable alternative project designs, etc.</p>
3. Consult affected persons, host communities, and nongovernmental organizations, as appropriate, when developing the procedures for determining eligibility for compensation benefits and development assistance, and for redressing grievances.	<ul style="list-style-type: none"> – Under OP 4.12, DP are consulted on more than just the eligibility and grievance procedures - they have opportunities for consultation and participation in planning, implementing, and monitoring the whole resettlement program. – Draft only requires consultation “as appropriate” - consultation and much more is required in all instances of involuntary taking of land under OP 4.12. – Draft no longer requires that DP and their communities and host communities are provided timely and relevant information. – Under OP 4.12, grievance mechanisms must be appropriate and accessible. No mention of this in draft. – Draft no longer honors resettlers' preferences with respect to relocating and preserving existing social and cultural institutions. - Under draft, borrower must just consult on eligibility procedure. Under OP 4.12, borrower must carry out a census identifying who will be affected by the project as part of the process of developing a procedure for

	<p>establishing criteria. This also serve to discourage inflow of people ineligible for assistance.</p>
<p>4. Inform displaced persons of their rights, consult them on options, and provide them with technically and economically feasible resettlement alternatives and needed assistance, including (a) prompt compensation at full replacement cost for loss of assets attributable to the project; (b) if there is relocation, assistance during relocation, and residential housing, housing sites, or agricultural sites, as required; (c) transitional support and development assistance in addition to compensation measures; and (d) cash compensation for land when acquisition impacts are minor.</p>	<p>– These points used to be covered in detailed resettlement plans, abbreviated resettlement plans, resettlement policy frameworks, and resettlement process frameworks. Those instruments are described in detail in Annex A, and require the borrower to do much more than the draft requires. For example:</p> <ul style="list-style-type: none"> • socioeconomic studies, including census survey results and studies on public infrastructure, land tenure, patterns of social interaction, etc. • analysis of legal and institutional frameworks • specific explanation of valuation of replacement costs • a strategy for resettlers and hosts to consult and participate in the design and implementation of resettlement activities, a review of the alternatives and choices made by DP • measures to mitigate impact on host communities • independent monitors of resettlement activities, and performance monitoring indicators <p>A draft resettlement plan is a condition for appraisal under OP 4.12.</p> <p>– The draft isn’t clear that the alternative of No Project must be addressed.</p> <p>– OP 4.12 requires that DP are not only consulted on options, but offered choices among them</p> <p>– OP 4.12 requires prompt <i>and effective</i> compensation</p> <p>– grammar: In OP 4.12, DP are to be provided with agricultural sites as required. But the draft qualifies the provision of residential housing, housing sites, and agricultural sites with “as required.”</p> <p>– OP 4.12 requires housing and agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the old site. There is no requirement of equivalency in the draft, nor are those specific factors outlined.</p> <p>– The draft requires transitional support, but doesn’t describe how long this should go on. OP 4.12 requires DP be offered support for a transition period that is based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living.</p> <p>– The draft doesn’t make clear whether cash compensation is only allowed if impacts are minor. OP 4.12 allows that cash compensation may be appropriate in 3 specific instances (livelihoods not land-based, active market + sufficient supply, and land taken is small fraction of affected asset and residual is economically viable).</p> <p>– “Replacement cost” is not defined in the draft - in OP 4.12, it is described as a method of valuation under which depreciation is not taken into account and</p>

	<p>attempts to establish access to equivalent and culturally acceptable resources and opportunities are provided.</p> <ul style="list-style-type: none"> – Draft doesn't mention services or access to community resources; OP 4.12 requires infrastructure and public services to be provided to compensate for loss of access to community resources. – “Minor” is not defined. Under OP 4.12, an impact is “minor” if there is no physical displacement and less than 10% of productive assets are lost. – In BP 4.12, the involvement of affected groups is assessed by the TT.
<p>5. Give preference to land-based resettlement strategies for displaced persons whose livelihoods are land-based.</p>	<ul style="list-style-type: none"> – Loss of preference to avoid displacement for those groups. – Under OP 4.12, land-based resettlement strategies get preference if they are compatible with the group's cultural preferences and are prepared in consultation with the group. Those safeguards are not required by the draft. – In OP 4.12, if replacement land is offered in such a case, the land must be at least equivalent in a number of factors to the advantages of the land taken. Non-land based options may be provided if: <ul style="list-style-type: none"> • the land isn't preferred option of DP; • providing land would adversely affect sustainability of park or protected area; • sufficient land not available at reasonable price. <p>These factors must be demonstrated and documented to the satisfaction of the Bank, and the TT assesses them.</p>
<p>6. For those without legal rights or claims, provide resettlement assistance to help improve or at least restore their livelihoods.</p>	<ul style="list-style-type: none"> – Under OP 4.12, the needs of vulnerable groups who many not be protected through national land compensation legislation are given particular attention. Under the draft, no such attention is given. – “Resettlement assistance” is not defined in the draft. OP 4.12 offers examples of resettlement assistance (land, cash, employment, and other assets), and requires such assistance to achieve the objectives set out in OP 4.12. Those objectives include avoiding involuntary resettlement where feasible and executing resettlement as sustainable development programs. – OP 4.12 provides compensation for loss of assets other than land.
<p>7. Prepare and disclose resettlement plans before appraisal, including documentation of the consultation process, in an accessible place and in a form and language that are understandable to key stakeholders.</p>	<ul style="list-style-type: none"> – Draft doesn't say what the consultation process must be. OP 4.12 requires that the borrower draw on appropriate social, legal, and technical expertise and on community-based organizations and NGOs. – Under OP 4.12, if a project is highly risky or contentious, or involves significant and complex resettlement, an advisory panel of independent, internationally recognized resettlement specialists must be appointed advise on all aspects of the project. – The draft doesn't require borrower to inform potentially DP at an early stage and take their views into account in project design. – Under OP 4.12, community organization patterns are based on choices made by the DP. To the extent

	<p>possible, existing social and cultural institutions of resettlers and host communities are preserved and resettlers’ preferences with respect to relocating in preexisting communities are honored.</p> <ul style="list-style-type: none"> – Draft requires accessibility to <i>key stakeholders</i>. OP 4.12 makes it available to DP and local NGOs - not necessarily considered “key” by a borrower. – Under BP 4.12, TT determines type of resettlement instrument (plan, framework, etc) with the regional social development unit and LEG. The TT conveys decisions to borrower and discusses necessary actions, agrees on timing, and monitors progress. Not clear what the role of the Bank is under the draft. – BP 4.12 describes when appraisal may be authorized before a plan is completed. Under the draft, must assume that it is never possible, because safeguards are not given.
<p>8. Apply the principles in this involuntary resettlement section of this Table, as applicable and relevant, to subprojects requiring land acquisition.</p>	<ul style="list-style-type: none"> – Draft only applies principles “as applicable and relevant” to subprojects. OP 4.12 requires all operations that might involve involuntary resettlement to screen subprojects. A resettlement policy framework must be submitted as well. Same screening required for financial intermediary subprojects. – Under OP 4.12, if multiple subprojects are involved, a draft resettlement plan must be submitted unless the zone of impact cannot be determined for specific reasons.
<p>9. Design, document, and disclose, before appraisal of projects involving involuntary restriction of access to legally designated parks and protected areas, a participatory process for: (a) preparing and implementing project components; (b) establishing eligibility criteria; (c) agreeing on mitigation measures; (d) resolving conflicts; and (e) monitoring implementation.</p>	<ul style="list-style-type: none"> – OP 4.12 instead requires the participatory process to identify measures to assist in improving or at least restoring livelihoods, <i>while maintaining the sustainability of the park or protected area</i>. The draft requires mitigation measures, but does not include sustainability.
<p>10. Implement all relevant resettlement plans before project completion; provide resettlement entitlements before displacement.</p>	<ul style="list-style-type: none"> – The draft is not as explicit on timing as OP 4.12 (taking of land and related assets may take place only after compensation paid and resettlement sites provided.) – The draft isn’t clear that displacement <i>or restriction of access</i> may not occur before necessary measures are in place. – OP 4.12 explicitly states that full costs are included in total costs of project and that resettlement components need not be economically viable on their own. – BP 4.12 explicitly states that a project is not considered complete until resettlement measures in the instrument have been implemented.
<p>Additional Comments:</p> <ul style="list-style-type: none"> - The role of Bank staff is unclear - under BP 4.12, the Task Team is very involved in the resettlement process, from working with the borrower staff to assess the project and explore alternatives to agreeing with the regional social development unit and LEG on the type of resettlement instrument to following certain criteria during project appraisal to supervising the implementation of the resettlement instrument. BP 4.12 describes the necessary legal agreements between the borrower and the Bank. And under BP 4.12, the Regional vice president ensures appropriate measures are established for supervising such projects, and the country director allocates dedicated funds to supervise resettlement. - The draft takes a very complicated process and paints it with broad strokes. Because the Environmental Assessment section has not been expanded to include Social Assessments as well (unlike the IFC draft), there is 	

even less assurance that the Bank would be able to tell before financing a project: the extent of displacement; whether a sufficient plan for resettlement is in place; or the adequacy of planned compensation. Furthermore, there is less of a chance that the Bank will ever know the true impacts of a project on displaced persons, because the supervision and assessment requirements are not sufficiently robust.

Topic: Indigenous Peoples

Objectives and Operational Principles	Relevant Current Policies: OD 4.20
Objective: To design and implement projects in such a way that indigenous peoples (a) do not suffer adverse effects during the development process and (b) receive culturally compatible social and economic benefits.	<ul style="list-style-type: none"> – OD 4.20 includes these objectives, as well as introducing the directive as guidance to ensure that IP <i>benefit</i> from development projects, and to avoid or mitigate adverse effects on indigenous peoples (IP). – The “broad objective” of the Bank is to foster “full respect for their dignity, human rights, and cultural uniqueness.”
1. Screen early for potential impacts on indigenous peoples, who are identified through criteria that reflect their social and cultural distinctiveness (including indigenous language, self-identification and identification by others, presence of customary institutions, or collective attachment to land).	<ul style="list-style-type: none"> – Definition of IP is more nuanced in OD 4.20. The list includes the points in the parentheses, as well as “a close attachment to ancestral territories and to the natural resources in those areas,” and “primarily subsistence-oriented production.” Also, the draft list is open to other criteria, while OD 4.20 introduces it as an exclusive list. – Loss of required assessment of the legal status of IP groups and the ability of those groups to obtain access to and effectively use the legal system to defend their rights. – Draft doesn’t require the borrower to develop a full picture of the IP groups. OD 4.20 requires baseline data to be developed, with maps of the area, an analysis of social structure and income sources of the IP, inventories of the resources used, and the IP’s relationship to others.
2. Undertake meaningful consultation with affected indigenous peoples to solicit informed participation in designing and implementing measures to (a) avoid adverse impacts, or (b) when avoidance is not feasible, minimize, mitigate, or compensate for such effects	<ul style="list-style-type: none"> + Draft introduces preference for avoidance over mitigation. – “Informed participation” is undefined. In OD 4.20, “core activities” of informed participation are direct consultation, incorporation of indigenous knowledge, and appropriate early use of experienced specialists. – Under OD 4.20, studies are supposed to anticipate adverse trends (like a social EA). – Under OD 4.20, implementation arrangement should “normally” involve appropriate existing institutions, local organizations, and NGOs with relevant expertise. – Draft doesn’t give details of how to develop “meaningful consultation.” OD 4.20 requires that mechanisms be devised and maintained for participation by IP that use IP’s representative organizations, traditional leaders, and the regional environment division’s sociological and technical advice.
3. Provide social and economic benefits to indigenous peoples in ways that are culturally appropriate, and gender and generationally inclusive. Consider options preferred by the affected groups.	<ul style="list-style-type: none"> + Draft adds requirement that benefits be gender and generationally inclusive. – In OD 4.20, options preferred by the affected IP must be given <i>full consideration</i> - a slightly stronger phrasing than the draft. – Under OD 4.20, “local patterns” of social organization, religious beliefs, and resources use should be taken into account in designing a development plan. – Under OD 4.20, planning should encourage early handover of project management to local people and include general education and training in management

	<p>from the onset of the project. This is to avoid creating or aggravating dependency of IP on project entities.</p> <ul style="list-style-type: none"> - Loss of OD 4.20 requirement for arranging extended follow-up. - Draft doesn't mention what to do if local legislation needs to be strengthened. Under OD 4.20, the Bank should offer to advise and assist the borrower in establishing legal recognition of the customary or tradition land tenure systems of IP or implement alternative arrangements to grant long-term, renewable right of custodianship and use to IP. - Draft doesn't give guidelines for how these benefits should be developed. Under OD 4.20, technical proposals should come from on-site research by qualified professionals and should try to draw on indigenous knowledge.
<p>4. Prepare mitigation plans, including documentation of the consultation process, and disclose them before appraisal in an accessible place and in a form and language that are understandable to key stakeholders.</p>	<p>OD 4.20 has the same requirement of not appraising a project until mitigation plans are developed.</p> <ul style="list-style-type: none"> - Draft doesn't describe timing of preparing an IP development plan. OD 4.20 says it should be prepared in tandem with the main investment. - OD 4.20 describes assessing the track record, capabilities, and needs of government institutions as a <i>fundamental requirement</i> and gives specific issues that must be addressed. Furthermore, if the assessment shows a weak management history of the institution, independent monitoring by experienced social science professionals is required. None of this is in the draft. - OD 4.20 requires an implementation schedule with benchmarks for measuring progress. Again, the draft just requires a "mitigation plan" and is not more specific. - OD 4.20 requires that evaluation reports be made available to the public. - OD 4.20 requires detailed cost estimates for planned activities and investments, linked to a financing plan.
<p>Additional Comments:</p> <ul style="list-style-type: none"> - 6 pages are summarized in 4 points, so most of the requirements and definitions are missing. - The role of Bank staff is unclear - OD 4.20 includes descriptions of the Bank's role through country economic and sector work, technical assistance, and investment project components. During project identification, the Task Manager (TM) should inform the borrower of Bank policy, discuss legal status of affected groups, ascertain the relevant agencies, initiate anthropological studies to identify local needs and preferences, and signal IP issues and project strategy in the Initial Executive Project Summary. The Bank assists the borrower in preparing terms of reference, provides specialized technical assistance, and works with the borrower to clarify the steps needed to put land tenure on regular footing. In appraisal, the Bank should assess the adequacy of the plan, suitability of policies, capability of agencies, and the adequacy of allocated resources. Bank supervision missions should include appropriate anthropological, legal, and technical skills. Monitoring and evaluation reports should be reviewed by the Bank and the senior management of the implementing agency. And Bank staff should prepare loan documents in which the borrower's commitments for implementing the IPDP have clear benchmarks. - OD 4.20's mandatory Indigenous Peoples Development Plan is not in the draft, and none of the individual requirements that make up the IPDP are included. 	

Topic: Forests

Objectives and Operational Principles	Relevant Current Policies: OP 4.32 Forests Annex A - Definitions BP 4.32 Forests
Objective: To realize the potential of forests to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, and protect the vital local and global environmental services and values of forests.	– Other objectives of OP 4.36 are to maintain or enhance biodiversity and ecosystem functionality and to establish and sustainably manage environmentally appropriate, socially beneficial, and economically viable forest plantations.
1. Screen early for potential impacts on forest health and quality and on the rights and welfare of the people who depend on them.	+ Adds early screening for impacts on people who depend on forests. – BP 4.36 requires the TT identify forest issues early in project processing..
2. Do not finance projects that would involve <i>significant</i> conversion or degradation of critical forest areas or related critical natural habitats, or would contravene applicable international environmental agreements	Same for critical forest areas and natural habitats in OP 4.36
3. Do not finance natural forest harvesting or plantation development that would involve <i>any</i> conversion or degradation of critical forest areas or related critical natural habitats.	Plantation prohibition is the same – The term “Natural forest” is not defined in draft. – Draft doesn’t mention what happens if there is a chance of significant adverse environmental impacts because of conversion or degradation of natural forests that are <i>not</i> critical. Under BP 4.36, those are Category A projects. – Under BP 4.36, if plantation development is involved, the TT must ensure that the project design addresses the potential to establish plantations on non-forest lands that don’t contain critical natural habitats, the need to avoid conversion or degradation of natural habitats, and the capacities of government, NGOs, etc to cooperate. – Plantations projects under OP 4.36 must be designed to prevent and mitigate potential threats to natural habitats.
4. Give preference to small-scale community-level management approaches where they best reduce poverty in a sustainable manner.	Same as OP 4.36 – BP 4.36 requires borrower to assess the feasibility of giving preference to small-scale community-level harvesting.
5. Support commercial forest harvesting only when the operation is certified, under an independent forest certification system, as meeting, or having a time-bound action plan to meet, internationally recognized standards of responsible forest management and use.	+ Draft requires certification for any commercial harvesting operation, not just industrial-scale operations. – OP 4.36 also has requirements for small scale landholders and community forest management schemes. They are approved only if they achieve a standard of management developed with meaningful participation of locally affected communities and consistent with forest certification criteria, or have a time-bound phased action plan to achieve such a standard. – OP 4.36 doesn’t allow commercial harvesting if the “areas affected by harvesting” are critical forest areas or related critical natural habitats. Not clear that it isn’t

	allowed under the draft.
<p>6. Use forest certification systems that require: (a) compliance with relevant laws; (b) recognition of, and respect for, legal or customary land tenure and use rights of Indigenous Peoples and workers; (c) measures to enhance sound community relations; (d) conservation of biological diversity and ecological functions; (e) measures to maintain or enhance environmentally sound multiple benefits from the forest; (f) prevention or minimization of environmental impacts; (g) effective forest management planning; (h) active monitoring and assessment of relevant forest management areas; and (i) independent third-party assessment of forest management performance that involves the meaningful participation of key stakeholders.</p>	<p>– In addition to these draft criteria, OP 4.36 requires the forest certification system to:</p> <ul style="list-style-type: none"> • require the maintenance of critical forest areas and other critical natural habitats affected by the operation; • be independent, cost-effective, and based on objective and measurable performance standards defined at national level and compatible with internationally accepted criteria; • have decision making procedures that are fair, transparent, independent, and designed to avoid conflicts of interest. <p>+ An independent third-party assessment of forest management performance is new requirement, BUT – ...it only involves participation of <i>key</i> stakeholders. OP 4.36 requires that the actual system be developed with participation from a long list of affected communities, including the private sector, indigenous people, and local people. – BP 4.36 requires borrower to disclose to the public the results of forest management assessments.</p>
<p>7. Disclose any time-bound action plans before appraisal in an accessible place and in a form and language that are understandable to key stakeholders.</p>	<p>Same. OP and BP 4.36 requires time-bound action plans to be disclosed in the Project Appraisal Document.</p>
<p>Additional Comments: - The role of Bank staff is unclear - Under BP 4.36, the TT and other Bank Staff are heavily involved. Bank Staff must ensure that an EA category is assigned to the project. The TT must ensure that the borrower provide the Bank with an assessment of adequacy of land use allocations and an inventory of critical forest areas that is done at a spatial scale that is ecologically, socially, and culturally appropriate. The assessment must be subject to independent scientific peer review. The TT must also ensure that the project incorporates a time-bound action plan and performance benchmarks, and that the project's design takes into account the extent to which local community livelihoods depend on trees and the institutional, policy, and conflict management issues in improving poor people and indigenous people participation in the management. The RVP ensures the availability of resources for effective supervision, and the TT ensures that the borrower makes the results of management assessments available to the public.</p>	

Topic: Cultural Property

Objectives and Operational Principles	Relevant Current Policies: OPN 11.03 (OP 4.11 is under preparation)
Objective: To assist in preserving physical cultural resources (PCR) and avoiding their destruction or damage.	+ OPN 11.03 just seeks to avoid the elimination of cultural property, while the draft includes the avoidance of damage as part of the objective. – Physical Cultural Resources are not defined, and the term is not used in OPN 11.03.
1. Analyze feasible project alternatives to avoid or minimize adverse impacts on PCR.	+ New to analyze project alternatives, BUT – ...it only requires analysis; doesn't require actually choosing project alternatives or any criteria by which they should be judged. OPN 11.03 states that the Bank "normally declines" to finance projects that significantly damage non-replicable cultural property, and only finances projects that are sited or designed to prevent such damage. Deviations are only allowed in defined circumstances. Under the draft principles, however, the Bank could fund projects that cause such damage - the existence of a feasible project alternative doesn't actually matter.
2. Consult local people in documenting the presence and significance of PCR, assessing the nature and extent of potential impacts on these resources, and designing and implementing mitigation plans.	+ Consultation requirement is new.
3. Provide for the use of "chance find" procedures for materials that may be discovered during project implementation.	– "Chance find" procedures are new and are not defined. Not clear if this refers to the OPN 11.03 requirement to assist in the protection and enhancement of found cultural properties, and to internalize the costs of the resulting study, preservation, and restoration in the overall project costs.
4. Define measures for strengthening institutional capacity to implement mitigation plans and to deal with PCR discovered during project implementation.	grammar: This does not actually require capacity to implement mitigation plans or to deal with discovered PCR. – This is expanding the OPN 11.03 allowance of deviations only if expected project benefits are great and the damage to CP is unavoidable, minor, or otherwise acceptable as judged by competent authorities.
5. Disclose mitigation plans before appraisal in an accessible place and in a form and language that are understandable to key stakeholders.	+ Disclosure requirement new.
<p>Additional Comments: OP 4.11 is under preparation. The draft plan will be updated as necessary when the ongoing conversion is completed. - The role of Bank staff is unclear - OPN 11.03 requires Bank staff to determine what is known about CP aspects of proposed project site and consult with appropriate agencies and NGOs if a project prima facie entails the risk of damaging cultural property. If there is any question of CP in the area, the Bank staff must do a brief reconnaissance survey.</p>	

Topic: Safety of Dams

Objectives and Operational Principles	Relevant Current Policies: OP 4.37 BP 4.37 Annex A: Dam Safety Reports BP 4.01 Annex B - Application of EA to Dam and Reservoir Projects
Objective: To assure quality and safety in the design and construction of new dams and the rehabilitation of existing dams, and in carrying out activities that may be affected by an existing dam.	+ Added quality
1. Use experienced and competent professionals to design and supervise construction, operation, and maintenance of dams and associated works.	– OP 4.37 requires that the borrower adopt and implement certain dam safety measures as well. – BP 4.01 Annex B on EA Application to Dams requires that the Bank TT ensure that an implementing ministry or in-house environmental unit be established, with adequate budget and professional staffing, to manage the project’s environmental aspects.
2. Identify existing dams that can influence the performance of the project and implement necessary safety measures/remedial works.	– Under OP 4.37, the borrower must arrange for independent dam specialists to inspect and evaluate the safety status, review and evaluate the owner’s operation and maintenance procedures, and provide a written report of findings and recommendations. If the existing dam represents a high hazard, an independent panel is required. All of this is replaced in the draft with the charge to “implement necessary” measures.
3. Use independent advice on verification of design, construction, and operational procedures and appoint independent panels of experts, as necessary.	+ Draft requires independent advice on all dams, not just large ones. – In OP 4.37, an independent panel of experts is <i>always</i> required for large dams. In the draft, it is up to the discretion of the borrower. – OP 4.37 specifically lays out the constitution, purposes, and major activities of the panel. Even if a panel is formed under the draft, there is no way to ensure that it will perform useful and necessary functions. – Other requirements for all large dams that are missing from the draft: <ul style="list-style-type: none"> • detailed plans, including construction supervision, instrumentation, operation, and emergency preparedness (all further defined in BP 4.37) • prequalification of bidders
4. Carry out periodic safety inspections of new/rehabilitated dams after completion of construction/rehabilitation, and take appropriate action as needed.	– Although these provisions are in OP 4.37, in BP 4.37 Annex A there is much more about dam safety reports, detailing when instrumentation plans, operation and maintenance plans, emergency preparedness plans, and plans for construction supervision and quality assurance are needed. .
Additional Comments: - takes out Policy Dialogue - The role of Bank staff is unclear - under BP 4.37, the TT ensures that terms of reference for technical services are adequate to the complexity of a particular dam, advises on preparation of TOR for the independent Panel, reviews reports relating to dam safety, and monitors the preparation of plan for construction. There are also guidelines for	

the appraisal team, what the legal agreements should include, and how to structure supervision.