

SUSTAINABLE PROCUREMENT ENVIRONMENT AND SOCIAL STANDARDS CENTRE OF EXCELLENCE (SPESSCE), AHMADU BELLO UNIVERSITY ZARIA

Short Course on:

OVERVIEW OF ENVIRONMENTAL AND SOCIAL STANDARDS IN
MULTILATERAL FINANCIAL INSTITUTIONS

28th February – 3rd March, 2022

Lecture theme: Overview of the Environmental Safeguard
Standards in selected Multilateral Financing
Institutions (MFI)

A. Bello
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OUTLINE

- ☐ Today's lecture in the main theme
- ☐ The Basics:
 - ☐ ESS & MFI
- ☐ Rationale for an Integrated Safeguard System (ISS)
- ☐ Objectives of the Operational Safeguards (OS)

Tea Break

- ☐ Relationship between OS's , the AfDB's Policies and the MDB Best Practice
- ☐ The International Finance Corporation (IFC) Sustainability Framework
- ☐ Guidance notes and Performance Standards on Environmental and Social Sustainability Minimum Standards
- ☐ The World Bank Environment and Social Framework (ESF)

Lunch Break

- ☐ The Ten Environmental and Social Standards
- ☐ Similarities and Differences among the MDBs

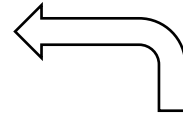


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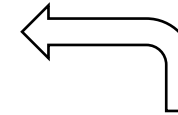


Lecture theme in the course's context

To enhance sustainable capacity in the management of procurement, environmental and social standards in the public and private sectors



OVERVIEW OF ENVIRONMENTAL AND SOCIAL STANDARDS IN MULTILATERAL FINANCIAL INSTITUTIONS



Overview of the Environmental Safeguard Standards in selected Multilateral Financing Institutions (MFI)

The Basics:

Environmental Safeguard Standards (ESS)

- Safeguard policies/standards are mechanisms for integration of environmental and social issues into decision making
- Provide a set of specialized tools to support development processes
- Support participatory approaches and transparency
- Safeguard policies are focused on evaluation and management of impacts and risks
- These policies evolved over time as a result of experiences in integrating environmental and social concerns into development projects
- Should be viewed as tools to improve development outcomes

The Basics:

The temporal transformations:

WB Environmental concerns transformed to safeguard policies by the SDGs

Shifting from environmental assessment to the wider environmental and social safeguards

Shifting from mitigating environmental issues to mitigating environmental and social risks

Moving safeguards from a set of rules to a code of practice for improving project design and implementation and for mainstreaming the environment

Focusing on client performance and capacity to implement the safeguard policies

Rationale for Safeguard Policies

- Safeguard Policies reflect core organizational values and development objectives including:
 - Sustainability, transparency, fairness, accountability, governance, informed decision making, rights, participation and meaningful consultation
- **Do no harm:** protect people and environment from adverse impacts
- **Do good to people and to the environment:** enhance social equity and promote environmental sustainability
- Reduce and manage risk for the Client and for the WB
- Respond to global shift in environmental stewardship

Objectives of the Safeguard Policies

- Avoid negative impacts where possible; otherwise minimize, reduce, mitigate, compensate (in that order)
- Identify and support sustainable approaches/environmental & social benefits
- Match level of review, mitigation and oversight to level of risk and impacts
- Inform the public and enable people to participate in decisions which effect them
- Integrate environmental and social issues into project identification, design and implementation
- Strengthen Borrower/implementer capacity

How are Environmental Issues Addressed through the Safeguards?

- ☐ The concept and procedures are presented in a number of Safeguards Operational Policies (OPs)
- ☐ Short, focused statements that establish the parameters for the conduct of operations
- ☐ Describe the circumstances under which exceptions to policy are admissible and spell out who authorizes exceptions

10+2 Safeguards Operational Policies (OPs) – The World Bank

1. Environmental and Social Assessment (OP 4.01)
 2. Natural Habitats (OP 4.04)
 3. Forests (OP 4.36)
 4. Pest Management (OP 4.09)
 5. Physical Cultural Resources (OP 4.11)
 6. Safety of Dams (OP 4.37)
 7. Indigenous Peoples (OP 4.10)
 8. Involuntary Resettlement (OP 4.12)
 9. Projects on International Waterways (OP 7.50)
 10. Projects in Disputed Areas (OP 7.60)
- Access to Information
- Use of Country's Systems (UCS) (OP/BP 4.00)
- Environmental
- Social
- Legal



10+2 Safeguards Operational Policies (OPs) – Cont'd

□ EACH OF THE 10 POLICIES HAS:

□ SPECIFIC TRIGGERS

□ MITIGATING AND MONITORING MEASURES

□ DIFFERENT REQUIREMENTS SUCH AS:

- ENVIRONMENT MANAGEMENT PLAN (OP/BP 4.01-EA)
- RESETTLEMENT ACTION PLAN (OP/BP 4.12-RESETTLEMENT)
- INDIGENOUS PEOPLES DEVELOPMENT PLAN (OP 4.20 INDIGENOUS PEOPLE)
- INTEGRATED PEST MANAGEMENT PLAN (OP 4.09 PEST MANAGEMENT)

□ ALL THE ABOVE PLANS (IF APPLICABLE) HAVE TO BE DISSEMINATED AND DISCLOSED IN THE CLIENT'S COUNTRY AND IN THE BANK INFORMATION SHOP PRIOR TO APPRAISAL OF THE PROJECT



Important notes about the OPs

☐ For each safeguards policy, you should be aware of the policy's

Objective(s)

Trigger(s)

Mechanism for achieving OP objectives

☐ One should also be aware of additional aspects such as:

Instrument(s) to use

Timing

Consultation requirement

Disclosure requirement

Translation requirement

Multilateral Financial Institutions (MFIs)

According to OECD (Organisation for Economic Co-operation and Development) :

- Multilateral Financial Institutions are private sector arms of international financial institutions (IFIs) that have been established by more than one country, and hence are subject to international law.
- Their shareholders are generally national governments but could also include other international or private institutions. These institutions finance projects in support of the private sector mainly through equity investments, long-term loans and guarantees.
- MFIs usually have a greater financing capacity than bilateral development banks and also act as a forum for close co-operation among governments

Multilateral Financial Institutions (MFIs)

Examples:

- African Development Bank (AfDB)
- World Bank (WB)
- International Monetary Fund (IMF)
- International Finance Corporation (IFC)
- Inter-American Development Bank (IaDB)
- Asian Development Bank (ADB)
- European Bank for Reconstruction and Development (EBRD)
- Islamic Development Bank (IsDB)
- Global Environment Facility (GEF)

RATIONALE FOR AN INTEGRATED SAFEGUARD SYSTEM (ISS)

The AfDB:

- The AfDB at a glance:
 - The **African Development Bank Group (AfDB or ADB)** or *Banque Africaine de Développement (BAD)* is a multilateral development finance institution headquartered in Abidjan, Ivory Coast, since September 2014. The AfDB is a financial provider to African governments and private companies investing in the regional member countries (RMC).
 - The AfDB was founded in 1964 by the Organisation of African Unity, which is the predecessor of the African Union. The AfDB comprises three entities: The African Development Bank, the African Development Fund and the Nigeria Trust Fund.



RATIONALE FOR AN INTEGRATED SAFEGUARD SYSTEM (ISS)

The AfDB:

- In 2012, the AfDB has concluded that its existing policies in terms of its environment and social assessment procedures (ESAP), and its cross cutting and sector policies in terms of gender, poverty-reduction, disclosure of information, co-operation with civil society organizations, integrated water resources management, agriculture and rural development, health and others ;
 - Are unsuitable as the basis of an integrated and effective set of environmental and social safeguards
 - Lack a clear, integrated set of operational environmental and social requirements that can be easily understood by borrowers, Bank officials and external observers.

Rationale for an Integrated Safeguard System (ISS)

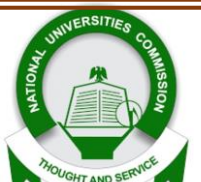
- Building from the foregone, there is therefore a need to develop an Integrated Safeguards System (ISS), building on the Bank's existing set of cross-cutting and sectoral policies and its current Environmental and Social Assessment Procedures (ESAP). With the following components:
- **Safeguard Policy Statement:** Declaration of intent, principles and commitments of the Bank for the sustainability of its operations,
- **Operational Safeguards (OSs):** brief and focused set of policy statements that clearly set out the requirements with which Bank-financed operations must comply,
- **ESAP:** procedural guidance on how to implement the OSs at each stage in the project cycle,
- **Technical guidelines:** detailed guidance materials on methodological or technical issues

Rationale for an Integrated Safeguard System (ISS)

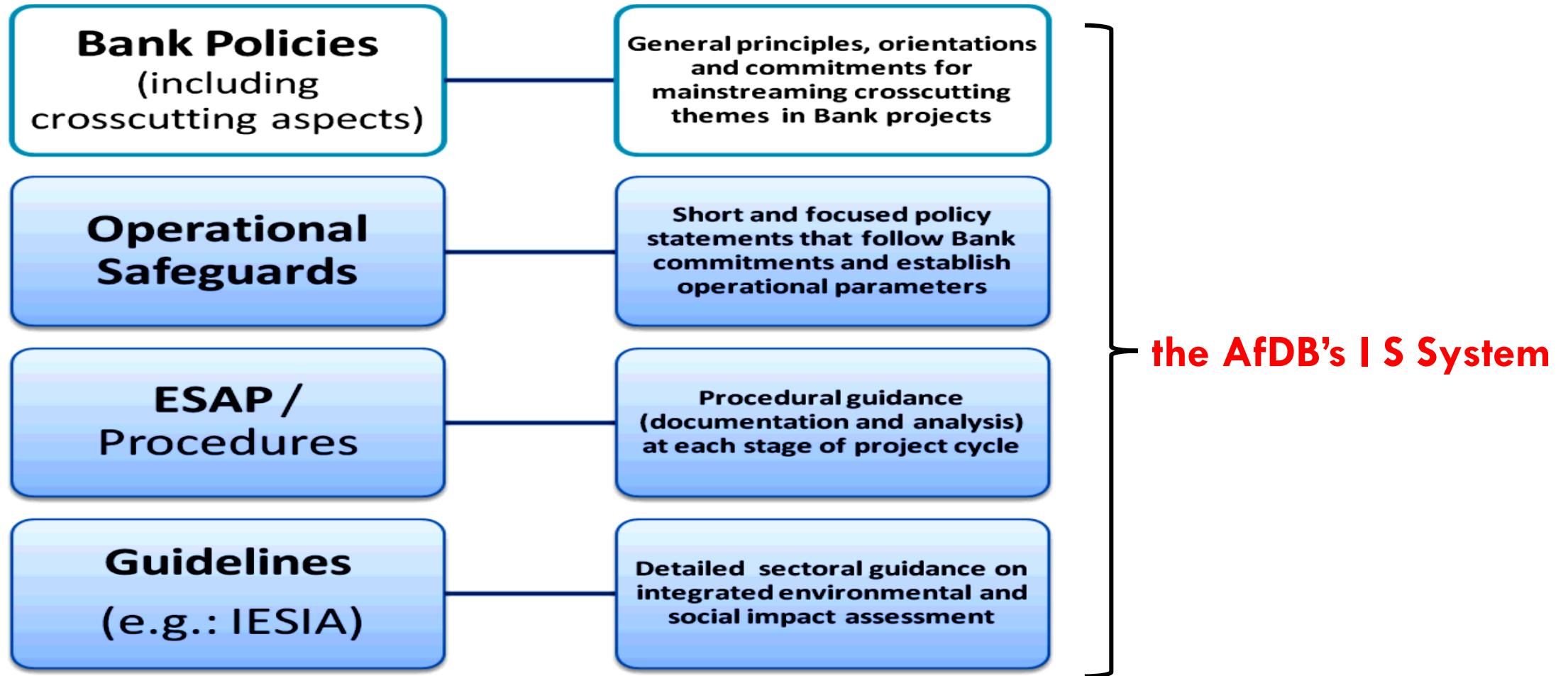
The AfDB – Ctd'

The adoption of the ISS will enable the AfDB to:

- Collate the fundamental elements of the Bank's existing portfolio of policies to facilitate their more rigorous and extensive application and to reduce associated transaction costs;
- Update the Bank's safeguard requirements in light of Multilateral Development Banks' (MDB) —best practice, current Bank priorities, emerging issues, and lessons learned from safeguards implementation in recent years;
- Provide the Bank's Environment and Social Assessment Procedures (ESAP) with a basis for operationalization to facilitate safeguard compliance; and
- Assist in MDBs' efforts to harmonize environmental and social safeguards and to implement them
- Limit the amount to the minimum required to allow the optimal functioning of the ISS



Objectives of the AfDB's ISS



Objectives of the AfDB's ISS

The aim of the OSs is to clearly establish the environmental and social requirements with which the Bank expects the borrowers or clients to comply. Adopting the OSs is intended to strengthen the capacity of the Bank and the borrowers or clients to:

- better integrate environmental and social-impact considerations into Bank operations so as to promote sustainability and long-term development effectiveness in Africa;
- assist regional member countries and borrowers/clients in strengthening their own safeguard systems and develop their capacity to manage environmental and social risks;
- prevent projects from adversely affecting the environment and local communities; where prevention is not possible, to minimize, mitigate and/or compensate for adverse effects;

Objectives of the AfDB's ISS – Cont'd

- systematically consider the impact of climate change on the sustainability of investment projects and the contribution of projects to global greenhouse gas emissions;
- delineate the roles and responsibilities of the Bank and its borrowers or clients in implementing projects, achieving sustainable outcomes, and promoting local participation; and
- contribute significantly to the harmonization of practices with other multilateral development banks



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Relationship between OS's , the AfDB's Policies and the MDB Best Practice

AfDB's Five Operational Safeguards (OS) of the ISS effective as of March 2013

- OS 1: Environmental and Social Assessment.
- OS 2: Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation
- OS 3: Biodiversity and Ecosystem Services
- OS 4: Pollution Prevention and Control, Greenhouse Gases, Hazardous Materials and Resource Efficiency
- OS 5: Labor Conditions, Health and Safety

OS 1: Environmental and Social Assessment. This includes issues such as scope, categorization, use of Strategic Environmental and Social Assessment (SESA), and Environmental and Social Management Frameworks, climate-change vulnerability, public consultation, grievance procedures. This overarching OS consolidates the policy commitments and requirements set out in the Bank's Policy on the Environment. It also updates the requirements to take advantage of best practice among the MDBs on a number of operational issues.

OS 2: Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation. This OS consolidates the policy commitments and requirements set out in the Bank's policy on involuntary resettlement; it also incorporates refinements designed to improve their operational effectiveness.

OS 3: Biodiversity and Ecosystem Services. This OS translates the policy commitments in the Bank's policy on integrated water resources management into operational requirements. It reflects the importance of biodiversity in Africa as well as the priority to clarify relevant standards and requirements from the MDBs. It also reflects current MDB best practice on including requirements to analyze potential impacts on ecosystems.

OS 4: Pollution Prevention and Control, Greenhouse Gases, Hazardous Materials and Resource Efficiency. This OS covers the range of key environmental impacts for which there are agreed international standards followed by all MDBs and the Equator banks.

OS 5: Labor Conditions, Health and Safety. This OS reflects ILO standards that have been adopted by most, if not all, MDBs and Equator banks



Relationship between OS's , the AfDB's Policies and the MDB Best Practice

	AfDB Policy	Incorporation of MDB best practice
OS 1: Environmental and Social Assessment	<ul style="list-style-type: none"> Requirements drawn from policy on the environment Broader commitments in various cross-cutting and sector policies Specific requirements in policy on disclosure of information 	<ul style="list-style-type: none"> Consistency on categorization Use of SESA for policy and program lending Use of Environmental and Social Management Framework for program lending Definition of project's area of influence Consideration of community impacts, vulnerable groups including indigenous peoples, cultural heritage Free, prior, informed consultation Grievance mechanism
OS 2: Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation	<input type="checkbox"/> Requirement drawn for policy on involuntary resettlement	<input type="checkbox"/> Minor refinements on specific requirements, definitions and operational effectiveness

Relationship between OS's , the AfDB's Policies and the MDB Best Practice – Cont'd

	AfDB Policy	Incorporation of MDB best practice
OS 3: Biodiversity and Ecosystem Services	<input type="checkbox"/> Commitments to assess impacts on biodiversity in policy on integrated water resource management and on agriculture and rural development	<ul style="list-style-type: none"> • Definitions of modified, natural and critical habitats • Mitigation hierarchy including offsets • Requirement to address impacts on ecosystem services
OS 4: Pollution Prevention and Control, Greenhouse Gases, Hazardous Materials and Resource Efficiency	<ul style="list-style-type: none"> • Broad requirement in policy on environment • Other commitments included in policies on integrated water resource management and health 	<ul style="list-style-type: none"> • Application of World Bank Group EHS Guidelines • Inclusion of waste, hazardous materials, resource efficiency • GHG emission threshold for rigorous reduction assessment
OS 5: Labor Conditions, Health and Safety	<ul style="list-style-type: none"> • Specific requirement on ILO labor standards in policy on agriculture and rural development • Broad commitments in policies on population, health and poverty reduction 	<input type="checkbox"/> Adoption of ILO labor standards as operational requirements

SAFEGUARD AND SUSTAINABILITY SERIES

INTEGRATED SAFEGUARDS SYSTEMS GUIDANCE MATERIALS for AfDB

This new set of guidance materials provides a system of technical support both for AfDB's staff and for borrowers or clients to cover not only project preparation but also implementation – with a new emphasis on monitoring, reporting and supervision. These materials consist of three issues as follows

Volume 2 Issue 1 contains 10 general guidance notes on ESA – responding to the requirements set out in OS1, providing specific guidance in the form of checklists on specific themes and requirements in the OSs as well as on sector-specific assessment issues. The guidance notes cover environmental mainstreaming, strategic assessments, impact assessments, environmental management plans, and environmental management systems, supervision of compliance and use of country systems.

Volume 2 Issue 2 which deals with Sector Key sheets for 27 sectors and sub-sectors including transport, power generation, sustainable land and natural resources management, oil and gas, urban and rural water supply and sanitation as well as social infrastructure

Volume 2 Issue 3 providing 10 specific guidance notes on specific OS requirements such as consultation, working with vulnerable groups, and grievance mechanisms. Some address specific areas of environmental and social risk not previously covered by Bank policies, such as cultural heritage, environmental flows, biodiversity, labor standards, HIV AIDS, dams and large scale land acquisition

<https://www.afdb.org/en/search/content/Safeguard%20and%20Sustainability%20series>



The International Finance Corporation (IFC) Sustainability Framework

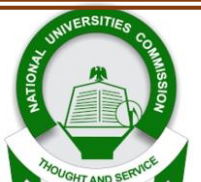
- The IFC at a glance:

- The International Finance Corporation is an international financial institution that offers investment, advisory, and asset-management services to encourage private-sector development in less developed countries. The IFC is a member of the World Bank Group and is headquartered in Washington, D.C. in the United States.



The International Finance Corporation (IFC) Sustainability Framework

- IFC's Sustainability Framework articulates the Corporation's strategic commitment to sustainable development, and is an integral part of IFC's approach to risk management . It is designed to help IFC clients avoid and mitigate adverse impacts and manage risk as a way of doing business sustainably. .It promotes risk management that is commensurate with the level of risks, incorporating time-based action plans to address actual and potential impacts.
- The Sustainability Framework comprises IFC's Policy and Performance Standards on Environmental and Social Sustainability, and IFC's Access to Information Policy ,The Policy on Environmental and Social Sustainability describes IFC's commitments, roles, and responsibilities related to environmental and social sustainability. IFC's Access to Information Policy reflects IFC's commitment to transparency and good governance on its operations, and outlines the Corporation's institutional disclosure obligations regarding its investment and advisory services



The International Finance Corporation (IFC) Sustainability Framework

IFC's Performance Standards on Environmental and Social Sustainability

- ❑ The Performance Standards are directed towards clients, providing guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a sustainable way, including stakeholder engagement and disclosure obligations of the client in relation to project-level activities.
- ❑ In the case of its direct investments (including project and corporate finance provided through financial intermediaries), IFC requires its clients to apply the Performance Standards to manage environmental and social risks and impacts so that development opportunities are enhanced

The 8 Performance Standards of the IFC

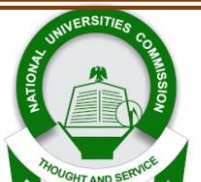
- ❑ A performance standard is a management-approved expression of the performance threshold(s), requirement(s), or expectation(s) that must be met to be appraised at a particular level of performance.
- The IFC Performance Standards are an international benchmark for identifying and managing environmental and social risk and has been adopted by many organizations as a key component of their environmental and social risk management.
- **Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts** whose objectives are to identify and evaluate environmental and social risks and impacts of the project.; To adopt a **mitigation hierarchy** to anticipate and avoid, or where avoidance is not possible, minimize and, where residual impacts remain, compensate/offset for risks and impacts to workers, Affected Communities, and the environment; To promote improved environmental and social performance of clients through the effective use of management systems. ;To ensure that grievances from Affected Communities and external communications from other stakeholders are responded to and managed appropriately; promote and provide means for adequate engagement with Affected Communities throughout the project cycle on issues that could potentially affect them and to ensure that relevant environmental and social information is disclosed and disseminated.

The 8 Performance Standards of the IFC – Cont'd

- **Performance Standard 2: Labor and Working Conditions** whose objectives are: To promote the fair treatment, non-discrimination, and equal opportunity of workers; To establish, maintain, and improve the worker-management relationship; To promote compliance with national employment and labor laws; To protect workers, including vulnerable categories of workers such as children, migrant workers, workers engaged by third parties, and workers in the client's supply chain; To promote safe and healthy working conditions, and the health of workers. and To avoid the use of forced labor.
- **Performance Standard 3: Resource Efficiency and Pollution Prevention** whose objectives are to: avoid or minimize adverse impacts on human health and the environment by avoiding or minimizing pollution from project activities. promote more sustainable use of resources, including energy and water and reduce project-related GHG emissions

The 8 Performance Standards of the IFC – Cont'd

- **Performance Standard 4: Community Health, Safety, and Security** whose objectives are to
 - ❖ anticipate and avoid adverse impacts on the health and safety of the Affected Community during the project life from both routine and non-routine circumstances and ensure that the safeguarding of personnel and property is carried out in accordance with relevant human rights principles and in a manner that avoids or minimizes risks to the Affected Communities.
- **Performance Standard 5: Land Acquisition and Involuntary Resettlement** whose objectives are to avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs.; avoid forced eviction.; anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected; improve, or restore, the livelihoods and standards of living of displaced persons and improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure at resettlement sites.
- **Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources** whose objectives are to protect and conserve biodiversity, maintain the benefits from ecosystem services and promote the sustainable management of living natural resources through the adoption of practices that integrate conservation needs and development priorities



The 8 Performance Standards of the IFC – Cont'd

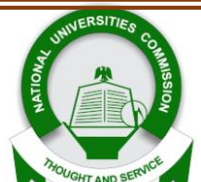
- **Performance Standard 7: Indigenous Peoples** whose objectives are to To ensure that the development process fosters full respect for the human rights, dignity, aspirations, culture, and natural resource-based livelihoods of Indigenous Peoples; To anticipate and avoid adverse impacts of projects on communities of Indigenous Peoples, or when avoidance is not possible, to minimize and/or compensate for such impacts.; To promote sustainable development benefits and opportunities for Indigenous Peoples in a culturally appropriate manner.; **To establish and maintain an ongoing relationship based on Informed Consultation and Participation (ICP) with the Indigenous Peoples affected by a project throughout the project's life-cycle; To ensure the Free, Prior, and Informed Consent (FPIC) of the Affected Communities of Indigenous Peoples when the circumstances described in this Performance Standard are present.** and To respect and preserve the culture, knowledge, and practices of Indigenous Peoples. **NOTE THE USE OF CONSENT AND NOT CONSULTATION**
- **Performance Standard 8: Cultural Heritage** whose objectives are :To protect cultural heritage from the adverse impacts of project activities and support its preservation. and To promote the equitable sharing of benefits from the use of cultural heritage.



Questions?

Comments?

Thank you



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Guidance Notes and Performance Standards on Environmental and Social Sustainability Minimum Standards - IFC

- ❑ A set of eight Guidance Notes, corresponding to each Performance Standard, and an additional Interpretation Note on Financial Intermediaries offer guidance on the requirements contained in the Performance Standards, including reference materials, and on good sustainability practices to help clients improve project performance.

These 8 Guidance/Interpretation Notes which may be occasionally updated consist of :

- Guidance Note 1 Assessment and Management of Environmental and Social Risks and Impacts
- Guidance Note 2 Labor and Working Conditions
- Guidance Note 3 Resource Efficiency and Pollution Prevention
- Guidance Note 4 Community Health, Safety and Security
- Guidance Note 5 Land Acquisition and Involuntary Resettlement
- Guidance Note 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources (January 2019)
- Guidance Note 7 Indigenous Peoples
- Guidance Note 8 Cultural Heritage

https://www.ifc.org/wps/wcm/connect/9fc3aaef-14c3-4489-acf1-a1c43d7f86ec/GN_English_2012_Full-Documents_updated_June-27-2019.pdf?MOD=AJPERES&CVID=mRQmrEJ



The Global Environment Facility (GEF)

GEF at a glance:

- The **Global Environment Facility (GEF)** was established on the eve of the 1992 Rio Earth Summit to help tackle our planet's most pressing environmental problems. The GEF unites 184 countries in partnership with international institutions, civil society organizations (CSOs), and the private sector to address global environmental issues while supporting national sustainable development initiatives.
- GEF is headquartered in Washington DC



The Global Environment Facility (GEF)

POLICY ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS July 1st 2019

- The GEF Policy sets out the GEF's approach to anticipating, and then avoiding, preventing, minimizing, mitigating, managing, offsetting or compensating any adverse impacts that GEF-financed projects and programs may have on people or the environment throughout the project or program cycle; thereby enhancing the environmental and social outcomes of such projects and programs
- the GEF's approach to identifying and addressing relevant Environmental and Social Risks and Impacts is supported by the *Policy on Stakeholder Engagement*, the *Policy on Gender Equality*, and the *Minimum Fiduciary Standards for GEF Partner Agencies*.
- This Policy sets out mandatory requirements for identifying and addressing Environmental and Social Risks and Impacts in GEF-financed projects and programs; and for documenting, monitoring, and reporting on associated measures throughout the project and program cycles, and at the portfolio level.

<https://www.thegef.org/documents/environmental-and-social-safeguard-standards>

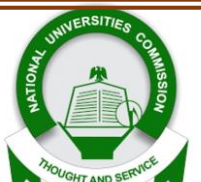


The Global Environment Facility (GEF)

MINIMUM STANDARDS

- ❑ The Policy on Environmental and Social Safeguards sets out the following **nine Minimum Standards (MS)** for Agency policies, procedures, systems and capabilities related to identifying and addressing Environmental and Social Risks and Impacts in projects and programs. If a GEF Agency does not meet one or more of the minimum standards , the Agency, in consultation with the GEF Secretariat, develops a concrete, time-bound action plan to achieve compliance.

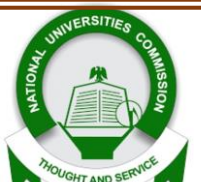
- The Nine Minimum Standards are as follows:



The Global Environment Facility (GEF)

MINIMUM STANDARDS – Cont'd

- **MS 1: Environmental and Social Assessment, Management and Monitoring** require that projects and programs are assessed, designed and implemented consistent with the mitigation hierarchy, ensuring that any Environmental and Social Risks and potential adverse Environmental and Social Impacts are anticipated and then, in order: avoided or prevented, where feasible; minimized; mitigated and managed; and as a last resort, residual impacts are offset or compensated where avoidance or prevention, minimization, mitigation, and management are not feasible;. This include Climate change and Disaster Risks; associated risks to the disadvantaged or vulnerable individuals or groups, disability inclusion; and Adverse Gender-Related Impacts, Including Gender-Based Violence and Sexual Exploitation and Abuse
- **MS2: Accountability Grievance and Conflict Resolution** require that the GEF Agencies demonstrate that they have in place an accountability system; grievance and conflict resolution systems
- **MS 3: Biodiversity Conservation and the Sustainable Management of Living Natural Resources** require that Agencies do not propose for or implement with GEF funding projects or programs that would involve adverse impacts on Critical Habitats, including forests demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that biodiversity or habitats are protected.



The Global Environment Facility (GEF)

MINIMUM STANDARDS – Cont'd

- *MS 4: Restrictions on Land Use and Involuntary Resettlement* requires that All viable alternatives are assessed to avoid Economic Displacement or Physical Displacement from Restrictions on Land Use and Involuntary Resettlement
- *MS 5: Indigenous Peoples* requires that GEF Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that the Free, Prior and Informed Consent (FPIC) of affected Indigenous Peoples is obtained when a project or program ,Impacts on land and natural resources, including Restrictions on Land Use or loss of access to natural resources, relocation of Indigenous Peoples and Significant impacts on an Indigenous People's Cultural Heritage

The Global Environment Facility (GEF)

MINIMUM STANDARDS – Cont'd

- **MS 6: Cultural Heritage** requires that Agencies demonstrate that they have in place the necessary policies, procedures, systems and capabilities to ensure that Any Cultural Heritage is appropriately preserved throughout the project or program cycle
- **MS 7 : Resource Efficiency and Pollution Prevention** requires that GEF Agencies do not propose for or implement with GEF funding projects or programs that would promote the trade in or use of any substances listed under the Stockholm Convention on Persistent Organic Pollutants, or other chemicals or hazardous materials subject to international bans, restrictions or phaseouts due to high toxicity to living organisms, environmental persistence, potential for bioaccumulation, or potential depletion of the ozone layer, consistent with relevant international treaties and agreements.

The Global Environment Facility (GEF)

MINIMUM STANDARDS – Cont'd

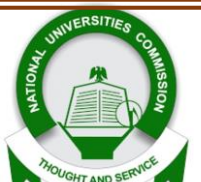
- **MS 8 Labor and Working Conditions** require that the GEF agencies have policies; procedures and systems in place to protect the fundamental rights of workers, consistent with the International Labor Organization (ILO) Declaration of Fundamental Principles and Rights including freedom of association, elimination of discrimination, child labor and forced or compulsory labor; and provide occupational health and safety (OHS) measures to establish and maintain a safe and healthy working environment
- **MS 9: Occupational health and safety (OHS) measures** are applied to establish and maintain a safe and healthy working environment of project or programs related communities. GEF funding will not be applied for the construction or rehabilitation of Large or Complex Dams



The Global Environment Facility (GEF)

Additional GEF Guidelines

- Guidelines on GEFs Policy on Environmental and Social Safeguards
- (https://www.thegef.org/sites/default/files/documents/guidelines_gef_policy_environmental_social_safeguards.pdf)
- Policy on Environmental and Social Safeguards (SD/PL/03) •
- Gender Equality (SD/PL/02) and Guidelines •
- Policy on Stakeholder Engagement (SD/PL/01) and Guidelines •
- Principles and Guidelines for Engagement with Indigenous Peoples (GEF/C.42/Inf.03/Rev.1) •
- Monitoring Policy (ME/PL/03) • Monitoring Agency Compliance with GEF Policies (ME/PL/02) and Guidelines
- • Fiduciary Standards (GA/PL/02)



THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

- Environmental and Social Assessment (ESA) is the primary process used to evaluate, document and manage E&S risks
- An ESA is typically conducted according to National EIA legislation and/or other relevant international standards (ESF, IFC-PS, IAIA Guidelines, etc.):
 - Documents current environmental and social conditions
 - Predicts future conditions
 - Describes the legal and governance environment for risk management
 - Involves public input throughout
 - Recommends measures for maximizing positive and minimizing negative effects

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

ESA

What does it involve?

A process of analysis and planning to identify and avoid, minimize, reduce or mitigate ES risks and impacts

Assessment studies and management plans informing project design and implementation

Addresses disproportionate impacts on disadvantaged and vulnerable groups

Informed by consultation with stakeholders

Progressive, iterative (can continue during implementation) and proportionate to risk

Why is it important?

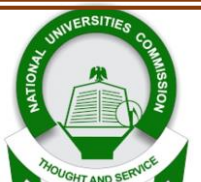
Improves project design by informing project objectives, scope, activities and preventing harm

Development outcomes: helps projects achieve better environmental and social outcomes

Helps to prevent discontent: so that unhappy stakeholders do not protest or block the project

Savings: cost of avoidance and minimization is less than compensation, restoration, offset

Approvals: projects without ESA will not obtain WB clearance even if country regulations permit



THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

THE ESA PROCESS



- ESA uses systematic methodologies including the following:
 - Comprehensive screening and scoping of project risks and impacts
 - Technical analysis and targeted studies to determine project context and to deepen qualitative and quantitative risk estimates
 - Stakeholder engagement processes to inform screening, scoping and analytics

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

THE ESA PROCESS – Cont'd



- Development of technical recommendations for avoiding, minimizing, mitigating or compensating for impacts
- Public disclosure of ESA findings and recommendations
- Monitoring, reporting and adaptive management
- Grievance Redress Mechanisms

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

Potential Dividends of ESA

The ESA process can add significant value to a project...

- Informs decision making
- Improves project design and implementation
- Avoids and mitigates adverse environment and social risks and impacts especially those that affected disadvantaged and vulnerable individuals and groups

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

Potential Dividends of ESA – Cont'd

- Avoids cost overruns and delays during implementation
- Provides the basis for legal authorization, licensing and permitting of projects
- Promotes longer term sustainability of investments
- Establishes a baseline to monitor progress during implementation
- Promotes stakeholder engagement achieve social acceptability and to track intended and unintended outcomes

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

ESA in the World Bank Project Cycle

- There is a direct linkage between the World Bank's Project Cycle and the assessment and management of E&S Risks and Impacts
- Approaches to assessment and management of E&S risks are embedded within the project planning and decision-making processes at each stage of the process
- Each stage of project processing implies different E&S management tasks

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

Managing E&S Risks in the Project Cycle

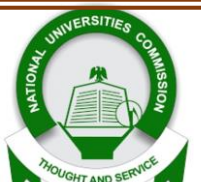
- E&S risk management at different stages may include:
 - Risk screening and scoping at Identification and Concept Stages
 - Preliminary risks assessments at Feasibility stages
 - Detailed analysis, assessment and mitigation planning during preparation and detailed design stages
 - Likely effectiveness, cost and resource allocations during appraisal
 - Monitoring, evaluation and adaptation during implementation
 - Results and performance assessments post closure
 - Stakeholder engagement is typically carried out on a continuous basis at key milestones



THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

The World Bank's ESF has three main parts...

- A **Vision** for Sustainable Development (Strategic and aspirational goals)
- An Environment and Social **Policy** (World Bank responsibilities)
- 10 Environmental and Social **Standards** (Borrower responsibilities)



THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

A Vision for Sustainable Development

World Bank Responsibilities

Environmental and
Social Policy

Environmental and
Social Directive

Directive on
Disadvantaged or
Vulnerable Individuals
or Groups

Good Practice Notes

Borrower Responsibilities

Environmental and
Social Standards
1 - 10

Environmental,
Health, and Safety
Guidelines (EHSG)

Guidance Notes

*Review and
due diligence*

Environmental and
Social Commitment
Plan (part of the Legal
Agreement)

*Assessment
and implementation*

PROJECT LEVEL

ESF Architecture

Roles and Responsibilities – Borrower Vs WB

■ Borrower/Recipient

- Preparation of EA, Resettlement Action Plan (RAP), Indigenous People Development Plan (IPDP)
- Public consultation (twice for Category A projects)
- Public disclosure, in-country, in appropriate location, language, and form
- Compliance with agreed measures

■ World Bank Task Team

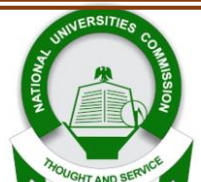
- Screening for safeguard policies
- Informing the Borrower
- Introduce Safeguards covenants in the legal documents
- Supervision of compliance and reporting/adjusting



Questions?

Comments?

Thank you



SUSTAINABLE PROCUREMENT ENVIRONMENT AND SOCIAL STANDARDS CENTRE OF EXCELLENCE (SPESSCE), AHMADU BELLO UNIVERSITY ZARIA

Short Course on:

OVERVIEW OF ENVIRONMENTAL AND SOCIAL STANDARDS IN
MULTILATERAL FINANCIAL INSTITUTIONS

28 February – 3rd March, 2022

Lecture theme: Overview of the Environmental Safeguard
Standards in selected Multilateral Financing
Institutions (MFI)

A. Bello
SPESSCE, ABU



THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

THE TEN ENVIRONMENTAL AND SOCIAL STANDARDS



ESS1

**Assessment and
Management of
Environmental and Social
Risks and Impacts**



ESS2

**Labor and
Working
Conditions**



ESS3

**Resource Efficiency
and Pollution
Prevention and
Management**



ESS4

**Community
Health and
Safety**



ESS5

**Land Acquisition,
Restrictions on Land Use
and Involuntary
Resettlement**

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

The Ten Environmental and Social Standards – Cont'd



ESS6

**Biodiversity
Conservation and
Sustainable Management
of Living Natural
Resources**



ESS7

**Indigenous Peoples/Sub-
Saharan African
Historically Underserved
Traditional Local
Communities**



ESS8

**Cultural
Heritage**



ESS9

**Financial
Intermediaries**

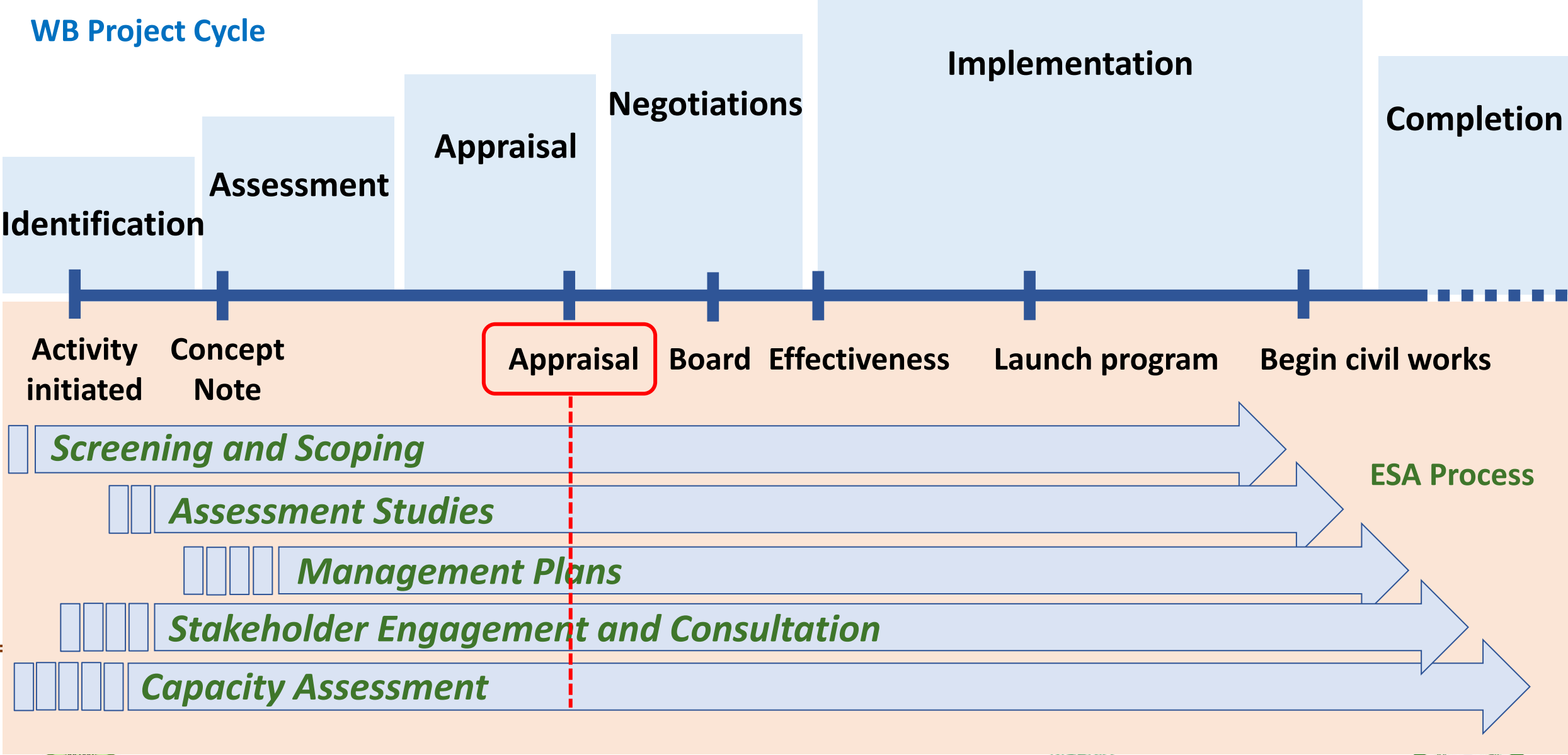


ESS10

**Stakeholder
Engagement and
Information Disclosure**

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

WB Project Cycle



THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

ESA Process and the World Bank Project Cycle

Project Stage	ESA Activity
Identification	<ul style="list-style-type: none">- Screen project proposal for E&S risks- Scope project requirements for EIA or other required assessments (RAP/IPP/LMP etc.)- Preliminary stakeholder analysis to identify stakeholder interest
Design and Preparation	<ul style="list-style-type: none">- Conduct ESIA, Social Assessment or other baseline studies for in-depth analysis- Prepare ESIA reports along with other key instruments- Disclose document and conduct stakeholder feedback sessions- Modify project design as relevant
Appraisal	<ul style="list-style-type: none">- Assess project readiness- Evaluate management and mitigation measures- Evaluate institutional arrangements and resources- Finalize ESCP / Clear all arrangements for quality and compliance

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

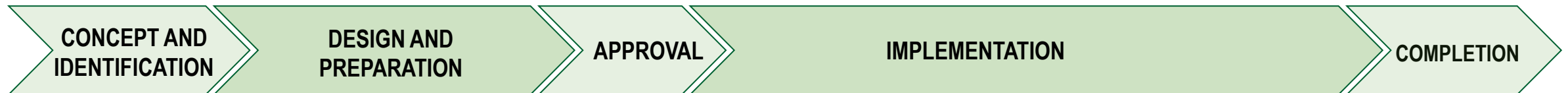
ESA Process and the World Bank Project Cycle – Cont'd

Project Stage	ESA Activity
Implementation	<ul style="list-style-type: none">- Implement agreed actions- Monitor key results, outcomes and compliance- Consult stakeholders on periodic basis as defined in the SEP- Issue monitoring reports- Adapt program mitigation and management measures
Completion	<ul style="list-style-type: none">- Ensure all agreed actions are completed- Assess project performance and results- Evaluate project and recommend actions for future projects

THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

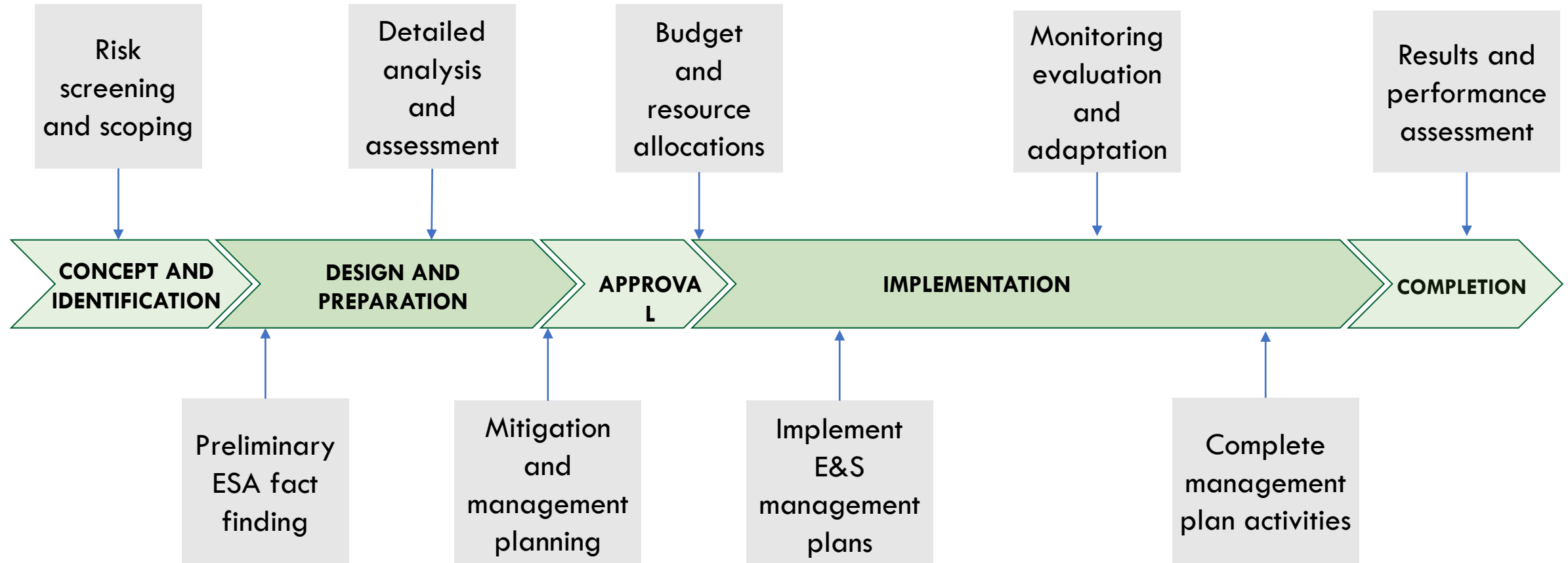
ESA and Project Decision Milestones

- ESA is conducted in stages following the sequential flow of project activities
- The logical flow of a project is often expressed as a time-line comprising different key assessment and decision-making milestones
- The ESA process usually involves different studies and plans at different times
- Outputs from the ESA process are used as inputs at key decision points and milestones, and reflected in project design and implementation



THE WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK (ESF)

ESA and Project Decision Milestones



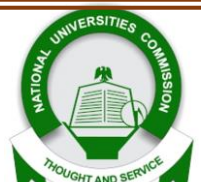
Stakeholder engagement is a continuous process throughout



Questions?

Comments?

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SIMILARITIES AND DIFFERENCES AMONG THE MDBS

E&S Std	African Development Bank (AfDB)	International Finance Corporation (IFC)	The Global Environment Facility (GEF)	The World Bank (WB)
	OS 1: Environmental and Social Assessment	PS 1: Assessment and Management of Environmental and Social Risks and Impacts	MS 1: Environmental and Social Assessment, Management and Monitoring	ESS 1: Assessment and Management of Environmental and Social Risks and Impacts
	OS 2: Involuntary Resettlement: Land Acquisition, Population Displacement and Compensation	PS 2: Labor and Working Conditions	MS2: Accountability Grievance and Conflict Resolution	ESS 2: Labor and Working Conditions

SIMILARITIES AND DIFFERENCES AMONG THE MDBS

E&S Std	African Development Bank (AfDB)	International Finance Corporation (IFC)	The Global Environment Facility (GEF)	The World Bank (WB)
	OS 3: Biodiversity and Ecosystem Services	PS 3: Resource Efficiency and Pollution Prevention	MS 3: Biodiversity Conservation and the Sustainable Management of Living Natural Resources	ESS 3 : Resource Efficiency and Pollution Prevention and Management;
	OS 4: Pollution Prevention and Control, Greenhouse Gases, Hazardous Materials and Resource Efficiency	PS 4: Community Health, Safety, and Security	MS 4: Restrictions on Land Use and Involuntary Resettlement	ESS 4: Community Health and Safety;

SIMILARITIES AND DIFFERENCES AMONG THE MDBS

E&S Standards	African Development Bank (AfDB)	International Finance Corporation (IFC)	The Global Environment Facility (GEF)	The World Bank (WB)
	OS 5: Labour Conditions, Health and Safety.	PS 5: Land Acquisition and Involuntary Resettlement	MS 5: Indigenous Peoples	ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement;
		PS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	MS 6: Cultural Heritage	ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;

SIMILARITIES AND DIFFERENCES AMONG THE MDBS

E&S Std	African Development Bank (AfDB)	International Finance Corporation (IFC)	The Global Environment Facility (GEF)	The World Bank (WB)
		PS 7: Indigenous Peoples	MS 7: Resource Efficiency and Pollution Prevention	ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
		PS 8: Cultural Heritage	MS 8 Labor and Working Conditions	ESS 8: Cultural Heritage;
			MS 9: Occupational health and safety	ESS 9: Financial Intermediaries
				ESS 10: Stakeholder Engagement and Information Disclosure

SIMILARITIES AND DIFFERENCES AMONG THE MDBS

- The core E&S standards among the 4 MDBs with different titles and connotations are very similar
- The African Development Bank developed only 5 operational standards, however the remaining standards on community, health and safety, cultural heritage; indigenous people ; climate change and environmental flows are part of the OS1 environment and social assessment .
- All the 4 MDBs recognized that the E&S assessment should be on the basis of risks and impacts, however only the IFC and the World Bank developed specific criteria for assessing projects and programs risks and impacts

SIMILARITIES AND DIFFERENCES AMONG THE MDBS

- Screening categories into I,II and III for AfDB, and A,B,C for the GEF were maintained though no criteria were developed for assessing risks
- The World Bank has reformulated its categories into Substantial/High risks requiring an ESIA; ; moderate risks requiring an ESMP and low risk with no ESA
- The IFC does not have specific screening categories. Risk assessment is based on an effective Environment and Social Management System which is a methodological approach to managing environmental and social risks and impacts in a structured way on an ongoing basis



Questions?

Comments?

Thank you

