2019 Environmental and Social Policy Review
Summary Presentation
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1. Policy Structure

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2. Context

The Environmental and Social Policy (ESP) was last updated in 2014 and is subject to review every five years.

Feedback from stakeholders and lessons learned from the implementation of 2014 ESP indicate that it provides a sound framework for preventing or mitigating environmental and social impacts of bank-financed projects.

Based on this feedback, the proposed changes:

• Maintain existing architecture and approach
• Focus on clarifying language
• Address lessons learned from implementation in practice, feedback from stakeholders and PCM cases

Additional guidance will be developed on the implementation of the PRs.
3. Summary of Key Changes (1/7)

Cross Cutting Themes

- Clarifying structure and language to make documents more user friendly
- Clarifying requirements and when they apply/do not apply
- Clarifying the scope of due diligence
- Strengthening approach and requirements relating to supply chains
- Strengthening requirements for identification of vulnerable groups as well as assessment & mitigation of impacts that fall disproportionately on them
- Strengthening consideration of gender throughout the project lifecycle including requirements addressing Gender Based Violence
3. Summary of Key Changes (2/7): Specific Changes

Clarification of the concepts of “project” & “associated facilities"

Introduction of a new due diligence approach to Capital Market Transactions

Clarification of the application of PRs versus a risk-based approach relying on national law and good international practice
3. Summary of Key Changes (3/7):
Specific Changes

- Aligned better with ESP in relation to scope of due diligence and application of PRs
- Clarification of client’s responsibilities and managing third party risks

**PR1**
Assessment & Management of Environmental and Social Impacts & Issues

**PR2**
Labour and Working Conditions

- Clarification of requirements relating to forced labour, gender-based violence, worker accommodation and collective dismissals
- Introduction of requirement for written employment contracts
- Requirement for clients to inform workers of their Freedom of Association and Collective Bargaining rights
3. Summary of Key Changes (4/7): Specific Changes

• Clarification of concepts, reflecting good international practice
• Re-emphasizing the Bank’s commitment to implementing EU substantive standards and Best Available Techniques

PR3
Resource Efficiency and Pollution Prevention and Control

• Strengthening of approach to occupational and public safety, health and security
• Adoption of a hierarchy of risk control
• Clarifications to support the growing international awareness of Anti Microbial Resistance (AMR), Gender Based Violence (GBV) and Security threats

PR4
Health, Safety & Security
3. Summary of Key Changes (5/7):
Specific Changes

- Restructuring of the PR to make requirements more transparent and practicable
- Ensuring a balance between physical and economic displacement
- Spelling out general human rights more clearly through requirements related to avoidance of forced eviction, provision of adequate housing, assessment and management of impacts on gender and vulnerable groups

PR5
Land Acquisition, Involuntary Resettlement and Economic Displacement

PR6
Biodiversity Conservation and Sustainable Management of Living Natural Resources

- Introduction of “ecosystem services” concept and simplifying the requirements relating to the management of living natural resources
- Clarifying language concerning biodiversity offsets
- Streamlining requirements relating to the sustainable management of living natural resources, and the introduction of AMR
3. Summary of Key Changes (6/7): Specific Changes

- Alignment of the definition of “Indigenous Peoples” with other IFIs
- Clarification of the concept of Free, Prior and Informed Consent (FPIC)
- Triggering FPIC where a project may significantly impact cultural heritage of Indigenous Peoples

PR7
Indigenous Peoples

PR8
Cultural Heritage

- Cultural Heritage definition updated to codify current concepts and practices
- Confidentiality provision added with regards to sensitive cultural heritage
3. Summary of Key Changes (7/7): Specific Changes

- Re-introduction of the referral for high risk sub-projects based on environmental and social risk (involuntary resettlement, impacts on critical habitat, impacts on Indigenous Peoples, etc.)

- Clarification of the definition of “Meaningful consultation”
- Introduction of a hierarchy of triggers for stakeholder engagement activities

PR9
Financial Intermediaries

PR10
Information Disclosure and Stakeholder Engagement
4. Next Steps

February 2019
- Consultation on draft policy

March 2019
- Revision of ESP
- Report on Public Consultation

May 2019
- Report on Public Consultation
- Disclosure of Policy

January 1, 2020
- ESP goes into force
THANK YOU!

QUESTIONS?

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