

Environmental and Social Standards Task Force (ESSTF)

Fifth Meeting – May 28, 10:30 am EDT

Attendees:

Scott Lampman (USAID)
Camila Monteiro (Individual)
Sean Nazerali (BIOFUND, Mozambique)
Mirjam de Koning (PONT)
Laura Werner (Blue Action Fund)
Kumar Bhattacharyya (CFA Secretariat)
Kathy Mikitin (Individual, Task Force facilitator)

Minutes of May 7 Meeting

Due to lack of time there were no comments or discussion of the minutes. Observations and corrections will be taken through June 4, after which the May 7 meeting minutes will be finalized.

Discussion with Charles di Leva

Just before the meeting, Charles called to say that he had been summoned to attend the Bank's Board meeting beginning at 10 am. Although he hoped to join the meeting in progress, that did not happen.

Review of the Survey Results

Camila and Sean presented the survey responses through graphs and charts that facilitated our viewing of comparisons and trends. Considerable time was spent on slides 5, 6 and 7 which showed interesting relationships between the use of safeguards or policies and observed risks.

Observations from the group:

The KfW team was surprised that the three social issue areas on which they placed particular importance for an ESMS -- economic displacement from use restrictions, stakeholder engagement and law enforcement (security personnel) – had no responses. It was suggested that possible reasons for that could be:

- respondents' view that economic displacement and stakeholder consultation/engagement were covered under other issue/risk categories;
- the presence of geographic bias, since respondents that confirmed they have well-developed ESMS were mainly EFs in Latin America where, for example, issues related to security personnel are not common;
- insufficient Monitoring Reporting Evaluation (MRE) procedures for detecting the three issues. A CTF may only know about these issues (triggered or not) through respective field observations and MRE procedures. If a CTF's MRE procedures don't cover the three issues,

they could still be prevalent in a PA/project and to find this out, a CTF may need to sharpen its MRE scope.

- design of some respondents' ESMS before recent revisions which reorganized categories or added issues or risks; or
- survey fatigue since the list of issues/risks was quite long.

Given the uncertainty, when approaching the CTFs that offered to share their ESMS, it will be important to clarify the survey results and to determine whether the three areas with no responses are not be covered either by *ex ante* risk identification or *ex post* MRE provisions.

There may have been some confusion among respondents over the difference between safeguards and policies, as these were probably not defined clearly enough. For our future work, we should keep in mind that “policies” are statements of principle and broad directives to follow, while “safeguards” are specific requirements that translate into concrete actions. Camila indicated that FUNBIO’s approach had been to start with an overarching policy on identifying and addressing environmental and social risks. From that “safeguards” or “standards” became the instruments used to implement the policy. Gender was the exception: no matter what the E&S risk category, gender analysis was required.

Slide 7 raised the question of whether the ESMS of some respondents were unnecessarily “heavy” given that safeguards and policies were present with a greater frequency than the related issues or risks were observed. Sean cautioned that there needs to be careful consideration of the tradeoff between an ESMS with broad coverage that could be costly to use and a more manageable system based on known issues that might possibly miss something. Initially, a risk scan could be used to ring fence issues/risks that would lead the CTF to i) exclude an activity from what it would finance, ii) identify the obvious issues/risks that should be addressed and iii) identify others that require deeper exploration.

To address the challenges of affordability and practicality raised by Sean and to avoid the pitfall of a one-size-fits-all approach, it might be worthwhile for CTFs to ensure that a “risk scan” is carried out to help identify the main risks. This might become part of the initial work that is carried out at the design stage of a CTF. For mature CTFs that are developing an ESMS or expanding their programs or geographic reach, local consultants should be able to pull together the social and environmental assessments of the many projects that have supported conservation activities to identify and rank issues/risks.

Each CTF should also have an idea of national policies or regulations on which it might rely, rather than creating separate safeguards. Boris confirmed that the ability to rely on government systems when these are adequate is accepted by KfW. National laws can be the starting point, and a CTFs own ESMS would close the gaps. The understanding would be that whatever is the more stringent principles or requirements would apply.

Scott mentioned that one criticism of the World Bank’s approach, albeit not entirely justified, is that it shifted the onus of the safeguard responsibilities to the recipients of its funding. The problem then becomes how to review that all measures are being put in place

during implementation. Follow-up on measures that a grantee has proposed to address the identified issues/risks could be onerous for a CTF.

The participants of the meeting recognized the diversity of the different EFs/CTFs (geographic; target group; size of grants; etc.). Therefore it is important to see the establishment of an ESMS as a process, starting to address certain of the main identified risks and to build capacity over time.

In general, economic development efforts recognize that the situations, institutions, capacities, etc. are not perfect at the start of any undertaking. What is important is seeing progress toward the goal over time. This principle should be incorporated in the products of the Task Force.

As the meeting had reached the 90 minute limit, discussion of the remaining slides was postponed to the next meeting.

Next Meeting

The next meeting will take place on June 11 at 9 am EDT. Charles di Leva's office confirmed his availability for that date and time.