



The World Bank Safeguards Review: *A Critical Human Rights Issue*

The World Bank is currently engaged in a revision of its social and environmental policies and appears poised to significantly weaken these critical protections. These “safeguards” are meant to ensure that development projects – from roads to forestry programs – are designed and implemented in a way that protects local communities and the environment. Because the World Bank is a standard-setter for both public and private development finance, the outcome of this review process will have a significant impact on the future of development and human rights globally. Consultations on the safeguards are underway, providing civil society a critical window to ensure that its voices are heard, and that development initiatives respect human rights.

Human Rights and Development

Development finance can have a profound impact on the realization of human rights. This impact can be positive, such as improved access and quality of health care, increased protection of communities’ land rights, and education that reaches the most marginalized populations. Impacts can also be negative, as in the case of forced evictions, imposed projects that undermine the livelihoods of communities, or policy reforms that further entrench discrimination. Without effective policies based in human rights norms, opportunities to contribute to the realization of human rights are missed, and often human rights violations result.

The World Bank Safeguards Review

What is the World Bank?

The World Bank is an international organization that provides lending and technical assistance to middle and low-income countries for a broad range of development projects, programs, and policy reform efforts. The Bank is owned by the 188 member countries which are represented on a 25-seat Board of Directors, with voting power distributed based on how much money each country gives to the Bank.

What are the World Bank Safeguards?

The World Bank’s safeguards are social and environmental policies designed to ensure that people and the environment are not harmed as a result of Bank-financed development projects. They are the result of years of struggle by civil society and grassroots movements. The safeguards establish standards and procedures with which the World Bank and governments who borrow from the Bank must comply. These requirements cover social and environmental impact assessment, transparency and access to information, participation and consultation, engagement with indigenous peoples, resettlement, forests and natural habitats, and cultural heritage, among other issues. Civil society organizations have been advocating for the safeguards to be strengthened and brought in line with international human rights standards. There are also significant problems with implementation and lack of coverage across Bank instruments, which must be remedied.

Why are the World Bank’s Safeguards important?

While the safeguards are not as strong as needed to protect human rights, they are important because they at least establish some minimum standards for development projects and processes. For instance, the current safeguards require that Bank-financed projects avoid resettling people against their will, and that if people are displaced their livelihoods and standard of living are restored or improved. The safeguards also provide critical entry points for communities and civil society to gain information and to give input into project design and

implementation. The Environmental Assessment Policy, for instance, requires that an impact assessment be prepared in consultation with local communities and disclosed publicly, prior to the approval of a given project. If a government does not comply with the safeguards, the Bank is supposed to withhold project financing. If the Bank does not comply with its safeguards, communities and civil society can raise a complaint with the World Bank Inspection Panel which will investigate the situation and recommend actions the Bank should take to prevent or address any harm.

What is the World Bank Safeguards Review?

Previously, the World Bank has developed and revised its safeguard policies one-by-one in response to need. Now, however, the World Bank is engaged in an unprecedented revision of its entire safeguards framework, bringing all of its safeguard policies into one framework. The review was launched in 2012 and consultations began in September 2015 on a proposed new draft framework. While the proposed framework significantly expands the range of issues covered by the safeguards, it weakens the oversight of development projects and introduces new loopholes in compliance. Consultations are expected to last through mid-2016 before the final draft framework is presented to the Board of Directors for adoption.

The Impact of the World Bank Safeguards

The World Bank plays a determinant role in global development and finance

Globally, the World Bank has over 175 Billion USD worth of development projects currently in implementation.¹ For many of these projects, the safeguards can help shape development outcomes. The impact of the World Bank's safeguards, however, goes far beyond Bank-financed projects. When the Bank co-finances projects with other lenders such as multilateral banks or donor countries, the safeguards often provide a minimum protection floor for the larger project. Perhaps more importantly, the World Bank is a standard-setter for development finance globally. World Bank safeguards have served as the foundation for safeguard policies for regional and national development institutions, and even global financing mechanisms for climate change and forest conservation. The outcome of the safeguards review will impact the future of development standards on a global scale.

Preventing a race to the bottom on human rights

While problems with implementation of the safeguards still remain, over the past decades, the World Bank and other development finance institutions have strengthened their social and environmental protections and increasingly elevated the bar of best practice for development. At the same time, the World Bank has never committed to respect human rights in its lending; while it has required compliance with international environmental treaties and agreements, it has continued to remain silent on international human rights law. In recent years, new sources of development finance from emerging economies such as China and Brazil have increased the availability of quick financing with little social or environmental requirements. Governments of emerging economies and developing countries have begun weakening their domestic social and environmental regulations in order to gain quicker access to development finance. The World Bank is now arguing that it needs to make the safeguards more flexible in order to remain financially relevant.

If the World Bank weakens its safeguard policies, this would have a major impact on global finance, putting downward pressure on public and private institutions to weaken their standards. It would make it even more difficult to establish strong protections within the Brazilian National Development Bank (BNDES), the Green Climate Fund, the Asia Infrastructure Investment Bank (AIIB), or the New Development Bank launched by Brazil, Russia, India, China, and South Africa (BRICS). Depending on its outcome, the World Bank Safeguards Review could help improve development outcomes, or it could be the first sprint in a global race to the bottom on human rights.

¹ World Bank Annual Report, 2013.

Key Safeguards Issues

The draft new safeguards framework raises considerable concern. Despite some improvements in scope, it eliminates much of the enforceability of the current safeguards. For instance, disclosure of environmental assessments and detailed resettlement plans would no longer be required prior to project approval. The proposal would additionally allow the Bank and borrowing countries to rely on national laws and regulations instead of the safeguards, with no clear indication of when this is appropriate or how a minimum level of protection would be assured, especially when a borrower's laws do not comply with human rights obligations.

A Better Development Proposal

Civil society organizations around the world have been advocating for **strong safeguards that are in line with international human rights norms and are binding on both the Bank and borrower governments.** Such a proposal includes the following key elements:

Human rights requirement. Require respect for human rights within Bank-financed activities and that the Bank and Borrower take all measures necessary to ensure that Bank-financed activities do not cause, contribute to, or exacerbate human rights violations.

Ensuring a minimum level of protection. Ensure that safeguards serve as a minimum protection floor, maintaining clear Bank responsibility for due diligence, supervision and evaluation. Where a borrower country's laws and standards differ from the safeguards, the more protective standard should apply.

Human rights due diligence. Require the Bank and Borrower to conduct human rights due diligence. Require the Bank to analyze and screen all projects to identify human rights and other social and environmental risks. Require assessment of social and environmental impacts for all projects at all stages. Assessment should explicitly utilize the international human rights framework as a benchmark and include all relevant human rights-related issues and indicators, with full participation of potentially affected communities.

Non-discrimination. Commit to non-discrimination and to advancing substantive equality within Bank activities, including all forms of discrimination identified in international law. Ensure that all marginalized or discriminated against groups are guaranteed opportunities to participate in project design, implementation and monitoring, and that development impacts on different groups are analyzed and measured in a disaggregated manner.

Indigenous peoples. Ensure protection of indigenous peoples' collective land and resource rights and management systems, and require respect for self-determination and Free, Prior, and Informed Consent (FPIC) throughout all project stages, in line with the UN Declaration on the Rights of Indigenous Peoples.

Labor. Provide comprehensive coverage for all workers, and ensure compliance with the four core labor standards as defined by the ILO.

Evictions and resettlement. Prohibit activities that contribute directly or indirectly to forced evictions. Displacement should be used only as a last resort, and only where it has met a "general welfare" threshold. Resettlement activities should follow international law and relevant standards, including the UN Guidelines on Development-based Evictions and Displacement and the UN Guiding Principles on Security of Tenure.

Gender. Require respect for the rights of women and girls, outline mandatory measures to ensure the participation of and assessment of impacts on women and girls, and ensure that development initiatives

advance women and girls' human rights, consistent with the UN Convention on the Elimination of All Forms of Discrimination Against Women.

Sexual orientation, gender identity/expression, and bodily diversity. Include explicit requirements regarding how non-discrimination will be achieved and how persons with a non-conforming sexual orientation or gender identity/expression, or who are bodily diverse can fully benefit from development efforts.

Persons with disabilities. Incorporate language throughout the safeguards framework that advances the rights of persons with disabilities, consistent with the UN Convention on the Rights of Persons with Disabilities.

Land, land rights, and security of tenure. Incorporate robust standards on land rights, land access, and security of tenure.

Participation and access to information. Ensure full and effective participation by potentially affected communities and marginalized groups, consistent with international law. Require that all information on appraisal, mitigation and benefit-sharing for any high/substantial risk activity be disclosed prior to project approval and made available in a form and language accessible to potentially affected communities.

Remedy and accountability. Establish requirements for design of grievance mechanisms that ensure greater accessibility, transparency, and independence, ensure security of complainants, and provide access to remedy.

What You Can Do

- Share this information with communities, unions, indigenous peoples organizations, environmental, and human rights groups. Visit www.RightsinDevelopment.org/worldbank to learn more.
- Make your concerns known by contacting your country's representative on the World Bank Board of Directors (www.worldbank.org/en/about/leadership/directors), and Board of Governors (www.worldbank.org/en/about/leadership/governors), your national finance or foreign affairs ministry, the World Bank office in your country (www.worldbank.org), the World Bank safeguards team (safeguardconsult@worldbank.org) and World Bank President Jim Yong Kim (jkim@worldbank.org).
- Visit www.worldbank.org/safeguardsconsultations (click on the "consultations meetings" bar) to learn when and where consultations are planned. If a consultation is not planned in your country, you may request one, or push for a public debate or dialogue between your government and civil society.
- Urge your government representatives to make their position on the safeguards public. Urge them to commit to strong human rights protections.
- Urge your national human rights institution or sympathetic government agencies, such as environment, justice, or labor ministries, or members of parliament, to weigh in on this issue.
- Follow us on Twitter at @RightsinDevt or on Facebook at <http://www.FB.com/RightsinDevt> and use public events, demonstrations or the media to communicate your concerns.

The Coalition for Human Rights in Development is a global coalition of social movements, civil society organizations, and grassroots groups working to ensure that all development finance institutions respect, protect, and fulfill human rights.

www.RightsinDevelopment.org