

MEMO – Independent Assessment of IDB’s Background Information for the FCPF Common Approach to Environmental and Social Safeguards

To: FCPF Task Force (TF) on a Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners

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Introduction

This memo summarizes the results of an independent assessment of the Background Information provided by IDB which includes information about IDB’s safeguard policies, procedures and practice notes to demonstrate its capacity to achieve Substantial Equivalence as defined in the Common Approach. For the results of the complete assessment please see the gap analysis table that accompanies this document.

This document has been updated to reflect the contents of the Common Approach that the Task Force will convey to the FCPF Participants Committee for review and approval at PC9. It is intended to provide the Task Force and the PC with an assessment of IDB’s environmental and social safeguard policies and procedures and to identify potential gaps in IDB’s safeguard policies and procedures and those of the World Bank (WB). This assessment does not address policies and procedures related to information disclosure or grievance and accountability (beyond those contained in the individual safeguard policies).

The assessment shows that IDB’s environmental and social safeguard policies are well aligned with those of the World Bank. IDB’s policies and procedures address nearly all of the Operational Principles of key World Bank safeguards. In some areas IDB’s policies meet or exceed specific World Bank safeguard criteria. At the same time, some gaps and partial gaps were identified and are addressed below.

Methodology

This assessment uses the Operational Principles that are contained in Table A1 in OP 4.00, “Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects” (Source: <http://go.worldbank.org/XFBVTIUDK0>). As agreed by the Task Force, these Operational Principles are being used in this context to provide an overview of and a framework for analyzing the World Bank’s safeguards relevant for REDD+.

Given that many of the individual Operational Principles in the World Bank’s OP 4.00 contain multiple requirements, they have been disaggregated in order to allow for “apples-to-apples” comparisons in the accompanying table (each safeguard area is contained on its own excel sheet; see tabs on lower left of the accompanying table). The Operational Principles are listed in the left hand columns. The middle column contains elaborations and clarifications from WB operational policies and procedures. The right column lists comparable IDB policy provisions and provides comments.

Comparisons are scored on a simple three indicator scale: ✓no gap; X=gap; – = partial gap. In a few instances further clarification by the World Bank on the intent of the Operational Principle is required before making a judgment (marked by “?”). In cases where gaps or potential gaps have been identified, they have only been assessed against the Operational Principles (not the additional elaborations/clarifications in the middle column).

For the Task Force’s information, the table also identifies several important provisions of WB safeguard policies that do not appear in the Operational Principles; these are included in a Notes section at the end of each topical area in the accompanying table.

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Gap analysis of IDB's Background Information with Operational Principles

As noted, IDB's environmental and social safeguard policies are well aligned with those of the World Bank. It employs an umbrella Environment and Safeguards Compliance Policy (OP-703) that contains specific provisions on Natural Habitats and Cultural Resources (these are not separate policies as with the World Bank). Forest safeguards are largely addressed through the environment policy and its natural habitats provisions, although a separate policy on Forestry Development (OP-723) also provides guidance to IDB's lending to this sector. Separate policies establish safeguards concerning involuntary resettlement (OP-710) and indigenous peoples (OP-765). Individual procedural and interpretive guidelines for IDB staff have been issued for the environment, resettlement, and indigenous peoples policies. IDB has explained that the operational guidelines are mandatory for IDB staff members (at the same time, they can be modified or waived by IDB Management). Compliance reviews by the IDB's independent accountability mechanism do not include guidelines (although they can be used to support interpretations of policies).

The comparative assessment shows that IDB's Background Information addresses nearly all the main requirements of the Operational Principles, such as risk-based environmental assessment with supporting procedures, prohibitions on significant conversion or degradation of critical natural habitats, avoidance of and compensation for involuntary resettlement, and attention to the customary rights of indigenous peoples. In certain areas IDB's requirements exceed those of the Operational Principles, such as by requiring verified agreements with affected parties for operations that may have highly significant adverse impacts on indigenous peoples.

In a few critical safeguard areas, however, differences in policy provisions have been identified that may lead to gaps or partial gaps when compared to the Operational Principles. These include:

- **Lack of a specific requirement for independent certification systems for commercial, industrial-scale forest harvesting.** IDB states that it considers independent forest certification an option for fulfilling its sustainable management requirements. However, its Background Information does not address the clear affirmative requirement contained in the Operational Principle.
- **No specific requirement that resettlement entitlements be provided before displacement or access restrictions.** IDB requires that compensation and rehabilitation "be taken in a timely way" and that all transitional hardships be addressed; however its Background Information does not address this particular sequencing requirement.
- **It is unclear how IDB addresses the 'equitable benefit sharing' standard regarding access restrictions for indigenous peoples to parks and protected areas.** While IDB clearly addresses the issue of benefit sharing in such instances, how the "equitable" criterion is to be met remains unclear. It would be helpful for the World Bank to clarify how this standard is operationalized in order to form a comparative judgment.

This summary of the assessment does not make specific reference to Operational Principles where no gaps were identified. Below are listed instances where the assessment identified gaps or partial gaps in the accompanying table. Numbering/lettering of components of the Operational Principles below refer to those contained in the accompanying table.

A. Environmental Assessment

- **Operational Principle 7.d, "Continue consultations throughout project implementation as necessary to address EA-related issues that affect them":** IDB recommends but does not require consultation throughout implementation.
- **Operational Principle 8.a, "Use independent advisory panels during preparation and implementation of projects that are highly risky or contentious or that involve serious and multi-dimensional environmental and/or social concerns":** IDB recommends, but does not require, use of independent advisory panels for highly risky, complex projects.

C. Forests

- **Operational Principle 5 “Support commercial, industrial-scale 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”:** IDB’s Background Information does not require formal certification for commercial harvesting operations. IDB states that a combination of policy requirements would result in “application of verifiable sustainable management requirements for any industrial scale forest harvesting activity” and that certification is an option for addressing its sustainable management requirement. However, these provisions do not address the clear affirmative requirement contained in the Operational Principle.
- **Operational Principle 7.a, “Give preference to small-scale community-level management approaches where they best reduce poverty in a sustainable manner”:** IDB’s Background Information does not indicate that it gives preference to small-scale community-level management approaches where these are best suited to achieve poverty reduction. IDB notes that it would be within its mandate if FCPF instituted such a preference.
- **Operational Principle 8.b, “Support commercial harvesting by small-scale landholders, local communities or entities under joint forest management where monitoring with the meaningful participation of local communities demonstrates that these operations achieve a standard of forest management”:** While IDB requires monitoring frameworks, its Background Information does not address the role of communities in monitoring forest operations. (Note: IDB’s Indigenous Peoples policy requires IP inclusion in monitoring.)
- **Operational Principle 9, “Use forest certification systems that require [9 criteria are listed]:** IDB does not require forest certification and has not defined criteria for instances in which it would support certification systems.

D. Involuntary Resettlement

- **Operational Principle 4.b, “Provide [project-affected persons and communities] opportunities to participate in the planning, implementation, and monitoring of the resettlement program, especially in the process of developing and implementing the procedures for determining eligibility for compensation benefits”:** The Operational Principle establishes high stakeholder participation standards for determining eligibility for compensation benefits and development assistance. IDB policy requires that consultations occur “during the design phase and will continue throughout execution and monitoring of the [resettlement] plan.” However, this consultation requirement does not address the principle’s participation standard surrounding benefit determination. Also, while IDB requires that resettlement plans must contain grievance mechanisms, the degree of participation in their design is unaddressed.
- **Operational Principle 5.a, “Inform displaced persons of their rights ...”:** IDB’s Background Information does not specifically address this criterion.
- **Operational Principle 5.c, “[P]rovide 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”:** IDB requires “fair and adequate compensation and rehabilitation” which addresses the main purpose of this Operational Principle. IDB Guidelines state that displaced persons “should receive full replacement value for their assets” and its definition of “replacement cost” notes that “[c]ompensation should be based on a realistic assessment of cost replacement value.” These provisions on compensation standards, however, contain aspirational language (“should”) as opposed to the principle’s affirmative requirement.
- **Operational Principle 6.a, “Give preference to land-based resettlement strategies for displaced persons whose livelihoods are land-based”:** IDB requires “land-based resettlement” options for “indigenous communities or other low-income ethnic minority communities in rural areas.” However,

it does not appear to apply a land-for-land preference for all affected persons with land-based livelihoods.

- **Operational Principle 11.b, “[P]rovide resettlement entitlements before displacement or restriction of access”:** IDB’s Background Information notes that compensation and rehabilitation must ensure that, “within the shortest possible period of time,” displaced persons are to achieve minimum standards of living and access to resources and experience as little disruption as possible. IDB policy also requires that compensation and rehabilitation “must be taken in a timely way to ensure that transitional hardships are not necessarily prolonged and do not result in irreparable harm.” However, it does not address the specific sequencing requirement that compensation be provided before displacement or imposition of access restrictions.

E. Indigenous Peoples

- **Operational Principle 4.b, “Where restriction of access of Indigenous Peoples to parks and protected areas is not avoidable, ensure that the affected Indigenous Peoples’ communities ... share equitably in benefits from the parks and protected areas”:** The Operational Principle requires that IPs share equitably in benefits from the parks and protected areas for which access restrictions have been applied. IDB safeguards require IP participation in the “utilization, administration and conservation” of protected areas that affect areas traditionally used by IPs,” and “whenever possible,” participate in project benefits. IDB’s requirements for good faith negotiations and verified agreements (for high impact projects) with IPs would address benefit sharing. However, the standard of ‘equitable benefit sharing’ is not fully addressed in IDB’s Background Information. At the same time, it is not fully clear how this principle is operationalized in practice and it would be helpful for the World Bank to provide clarification.

Operational Principles		Elaboration from WB Operational Policies/Bank Procedures	IDB Gap Analysis
			Key: ✓=no gap; ✗=gap; – = partial gap; ? = WB clarification required
A. ENVIRONMENTAL ASSESSMENT		OP/BP 4.01 Environmental Assessment and Annexes	OP-703 Environment and Safeguards Compliance Policy; Guidelines
1 Screening			
a	screen all proposed projects		✓ "All Bank-financed operations will be screened..." (B.3)
b	screen as early as possible		✓ Screening carried out "early in preparation process (B.3)
c	determine appropriate type and extent of EA based on risk	OP defines risk categories, assigns them to projects; requires EMP for highest risk (OP 8; OP Annex A.3)	✓ Operations classified by scale of impacts "so that appropriate [EA] or due diligence requirements are selected." (B.3) Cat. A & B projects require EA; Cat. A EIAs include defined Env. & Social Mangmt. Plan (ESMP) (B.5)
d	assess direct, indirect, cumulative, associated impacts	OP requires assessment of project's "area of influence," incl. "all ancillary aspects" (OP 2, OP Annex A5). Regional & sectoral EAs pay particular attention to cumulative impacts (OP Annex A 6 & 8)	✓ Screening considers impacts of operations whether "direct, indirect, regional or cumulative" incl. enviro.-related social & cultural impacts and its "associated facilities if relevant" (B.3). EIA report describes "area of influence (direct and indirect)" (Annex II)
e	use sectoral or regional EA when appropriate	OP requires these when "project is likely to have sectoral or regional impacts." (OP 7)	✓ IDB employs Strategic Environmental Assessments (SEAs) for Cat. A operations that involve policies and plans (B.3), incl. sector-wide loans and regional plans/programs, such as infrastructure (B.5 Guidelines). Specific trigger for invoking SEA not noted.
2 Assess Impacts			
a	assess impacts on physical, biological, socio-economic, and physical cultural resources		✓ IDB sets assessment standards for potential environmental impacts and enviro.-related social and cultural impacts (B.3, B.5 and Guidelines). IDB defines "environment" in its broad sense, which includes physical/chemical factors (geophysical), biological factors (biotic), and associated social factors (anthropic)." (2.3) EIA reports must include wide range of impacts (Annex II)
b	assess transboundary and global concerns		✓ IDB requires EA process to identify transboundary issues (B.8). Global concerns are addressed to a degree through checking compliance with commitments under MEAs (B.2) and the Safeguards Screening Form, which includes identification of significant GHG emissions (ft. nt. 3 IDB Background Information)
c	assess impacts on human health and safety		✓ EIA report requirements include information on human health, hazardous substances, occupational health and safety, and pollution controls (Annex II)
3 Assess legal framework			

	a	assess adequacy of applicable legal and institutional framework	OP calls for review of "institutional capabilities related to environment and social aspects" (OP 3). This appears linked to OP's call for capacity strengthening "[w]hen the borrower has inadequate legal or technical capacity to carry out key-EA-related functions" (OP 13)	✓	IDB's Background Information focuses on compliance with laws and regs. but does not specifically address institutional "adequacy" issues. However, Directive B notes IDB will "help develop enviro. mgnt. capacity," Directive B.4 lists "governance capacity of executing agencies/borrower" as a risk factor, and ESMP is to address "institutional development, capacity building and training" (B.5).
	b	ensure projects do not contravene international obligations		✓	IDB requires compliance review of obligations under MEAs
4		Assess alternatives			
	a	assess feasible alternatives		✓	IDB requires "examination of alternatives" in EIA (B.5)
	b	include no action alternative		✓	IDB requires inclusion of "no project scenario" (B.5)
	c	include recurrent costs, suitability, training and monitoring requirements		✓	IDB includes clarification that its alternatives analysis "covers all aspects of economic analysis, management systems and institutional capabilities" and it considers these elements to be included.
5		Apply pollution abatement standards			
	a	apply PPAH standards	NOTE: WB has revised PPAH into the Environmental, Health, and Safety Guidelines (EHS), and Operational Principles should be updated to reflect this.	✓	IDB requires clients to follow source-specific emission and discharge standards recognized by MDBs (which is PPAH or now EHS) (B.11)
	b	justify deviations		✓	IDB requires description of alternative standards in EA (B.11 Guideline)
6		Prevent or mitigate impacts			
	a	prevent where possible or at least minimize or compensate for adverse impacts		✓	IDB emphasizes avoidance of adverse impacts, and when unavoidable, requires mitigation measure. For measures that cannot be fully mitigated, it requires compensation or offsets (Directive B)
	b	utilize management and planning that includes mitigation, monitoring, institutional capacity development, training, implementation schedule, cost estimates		✓	Environmental and Social Management Plan (ESMP) is a required planning/management tool for Cat. A operations and must include description of these and other issues (B.5)
7		Stakeholder participation			
	a	involve stakeholders as early as possible in project preparation	For highest risk projects (Cat. A), OP requires consultations before EA TOR completed and when draft EA is prepared (OP 14)	✓	IDB requires consultation with affected parties as part of EA process. For Cat. A operations, IDB requires at least two consultations, during scoping and during review of assessment reports (B.6)

	b	include project-affected groups and local NGOs		✓	Directive B.6 requires consults with affected groups. IDB does not explicitly require inclusion of local NGOs in consultations. However, IDB indicates that affected groups may designate NGOs/CSOs as representatives (ft. nt. 6), and it has included a "Practice Note" indicating that it will apply principle of "broad-based participation" and inclusion of most relevant stakeholders in consultations for FCPF operations.
	c	ensure stakeholder views and concerns are taken into account		✓	Directive B.6 requires meaningful consultation with stakeholders and "consideration of their views." B.6 Guidelines refer to modifying plans based on stakeholder input.
	d	consult throughout project implementation		–	IDB recommends but does not require consultation throughout implementation ("During execution, affected parties should be kept informed" of project-related mitigation measures (B.6). B.6 Guidelines recommend borrower continue "applicable degree of disclosure and consultation" per ESMP.) IDB's Background Information notes that the "ESMP is expected to include feedback and remedial mechanisms" does not appear to fully address this requirement.
8 Independent Expertise					
	a	use independent expertise in EA preparation where appropriate	OP requires that independent experts carry out Cat. A EAs (OP 4)	✓	IDB's EA policy does not require that independent experts conduct assessments for high risk projects. However, a Practice Note indicates that IDB applies "expertise requirements" as general practice, and will do so for EA preparation in FCPF operations, "where appropriate."
	b	use independent advisory panels, during preparation and implementation, for highly risky or contentious projects		–	IDB recommends, but does not require, use of independent advisory panels for highly risky, complex projects (B.3)
9 Integration of EA					
	a	link EA with economic, financial, institutional, social, technical analyses	OP emphasizes need for EA considerations to be given adequate weight in project selection, siting, and design (OP 2 & ft. nt. 7)	✓	IDB Background Information states that "Bank procedures require the preparation of an environmental and social strategy early in the project cycle so that environmental and social issues can be identified at that stage and integrated in project design, analysis, and execution plans and budgets, as appropriate."
10 Subprojects					

	a	apply EA principles to subprojects and financial intermediary activities		✓	IDB requires FIs to "demonstrate that appropriate environmental procedures are in place." IDB and borrower are to agree on an Environmental Management System for high risk operations (B.13 Guidelines). IDB assesses FI capacity (B.13) Screening should identify risky FI subprojects. IDB's May 3 clarification states that it "requires FIs to apply EA requirements to moderate and high impact/risk subprojects though an ESMS and requires Borrowers in the multiple work programs to do so through operating regulations."
11 Disclosure					
	a	disclose draft EA in a timely manner, before appraisal		✓	IDB policy refers to disclosure of "appropriate" information to allow for affected parties to be meaningfully consulted (B.6). For Cat. A operations, consultations are required to review the EA. IDB's Background Information states that it "requires disclosure of draft EAs and discloses key results through the ESMR prior to Board consideration of an operation." On timing, EIA reports that would contain the ESMP must be disclosed prior to analysis mission (B.5)
	b	disclose draft EA in accessible place		✓	Directive B.6 requires disclosure in location to allow for meaningful consultation
	c	disclose in form & language understandable to key stakeholders		✓	Directive B.6 requires disclosure in format and language to allow for meaningful consultation
NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy					
		prior review/ approval high risk subprojects	OP requires WB prior review/approval of Cat. A and some Cat. B FI subprojects if there is a lack of capacity (OP 11)		
DEFINITIONS					
		Category A			
		#####	OP, 8a: "Category A: A proposed project is classified as Category A if it is likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works." "A potential impact is considered "sensitive" if it may be irreversible (e.g., lead to loss of a major natural habitat) or raise issues covered by OP 4.10, Indigenous Peoples; OP 4.04, Natural Habitats; OP 4.11, Physical Cultural Resources; or OP 4.12, Involuntary Resettlement."		Directive B.3: "Any operation that is likely to cause significant negative environmental and associated social impacts, or have profound implications affecting natural resources, will be classified as Category "A." These operations will require an environmental assessment (EA), normally an Environmental Impact Assessment (EIA) for investment operations, or other environmental assessments such as a Strategic Environmental Assessment (SEA) for programs and other financial operations that involve plans and policies.
		Category B			

		<p>OP 8b.: "Category B: A proposed project is classified as Category B if its potential adverse environmental impacts on human populations or environmentally important areas—including wetlands, forests, grasslands, and other natural habitats—are less adverse than those of Category A projects. These impacts are site-specific; few if any of them are irreversible; and in most cases mitigatory measures can be designed more readily than for Category A projects. The scope of EA for a Category B project may vary from project to project, but it is narrower than that of Category A EA. Like Category A EA, it examines the project's potential negative and positive environmental impacts and recommends any measures needed to prevent, minimize, mitigate, or compensate for adverse impacts and improve environmental performance. The findings and results of Category B EA are described in the project documentation (Project Appraisal Document and Project Information Document)."</p>		<p>Directive B.3: "Operations that are likely to cause mostly local and short-term negative environmental and associated social impacts for which effective mitigation measures are readily available will be classified as Category "B." These operations will normally require an environmental and/or social analysis, according to, and focusing on, the specific issues identified in the screening process, and an environmental and social management plan (ESMP).</p>

Operational Principles		Elaboration from WB Operational Policies/Bank Procedures	IDB Gap Analysis
B. NATURAL HABITATS		OP/BP 4.04 Natural Habitats, OP 4.04 Annex A Definitions	OP-703 Environment and Safeguard Compliance Policy, Directive B.9 and its Guidelines. (IDB Note: all procedural requirements of OP-703 (EA, ESMP consultations, etc.) apply to Directive B.9.)
1 Precautionary Approach			
a	use precautionary approach	BP requires highest due diligence standard (Cat. A) if project may significantly convert/degrade NH (BP 2)	✓ IDB states it "takes a precautionary approach" to impacts, defines the term (ft nt 5), and "favors avoiding negative environmental impacts." (Directive B) Similar to WB BP, IDB classifies operations that may significantly convert/degrade NH as Cat. A (SG Screening Form)
b	determine if benefits substantially outweigh potential environmental costs		✓ For operations that may significantly convert/degrade NH, IDB requires that "comprehensive analysis demonstrates the overall benefits from the operation substantially outweigh the environmental costs" (B.9)
2 Avoid significant conversion of CNH			
a	Avoid significant conversion or degradation of critical natural habitats (CNH)	OP "does not support" such projects (OP 4)	✓ IDB "will not support operations that, in its opinion, significantly convert or degrade critical natural habitats" (B.9)
b	CNH includes those habitats that are (a) legally protected, (b) officially proposed for protection, (c) identified by authoritative sources for their high conservation value, or (d) recognized as protected by traditional local communities	OP definition includes "sites that maintain conditions vital for the viability of these protected areas" (OP, Annex A 1.b)	✓ IDB definition of CNH encompasses all elements except (d). (B.9 Guidelines). However, IDB's PCR policy prohibits financing projects that damage "critical cultural sites" (B.9) and its definition of such sites includes "areas initially recognized as protected by traditional local communities (e.g., sacred groves). (B.9 Guidelines). IDB also includes OP definition regarding sites that maintain conditions vital for viability of areas.
3 Non-critical natural habitats			
a	if adverse impacts on non-critical natural habitats, proceed only if no viable alternatives exist and include mitigation measures		✓ For operations that may significantly convert/degrade NHs, IDB will provide support only if "there are no feasible alternatives acceptable to the Bank" and "mitigation and compensation measures acceptable to the Bank" are in place (B.9)
b	Mitigation measures to include those necessary to maintain ecological services, that minimize habitat loss and that establish/maintain ecologically similar protected areas	BP requires that costs of offsets ("compensatory natural habitats") be included in project financing (BP 4)	✓ "[M]itigation and compensation measures acceptable to the Bank" include, "as appropriate, minimizing habitat loss and establishing and maintaining an ecologically similar protected area that is adequately funded, implemented, and monitored." (B.9)
4 Siting Preference			

	a	whenever feasible site projects on lands already converted	OP excludes siting on lands converted in anticipation of project (OP 5)	✓	"Whenever feasible, Bank-financed operations and activities will be sited on lands already converted...." (B.9) In addition, IDB guidelines address issue in OP regarding land being converted in anticipation of projects (WB excludes; IDB recommends against financing such projects) (B.9 Guideline)
5	Stakeholder participation				
	a	consult stakeholders including local NGOs and communities		✓	Directive B.6 requires consultations with affected groups. IDB does not explicitly require inclusion of local NGOs in consultations. However, IDB indicates that affected groups may designate NGOs/CSOs as representatives (ft. nt. 6), and it has included a "Practice Note" indicating that it will apply principle of "broad-based participation" and inclusion of most relevant stakeholders in consultations for FCPF operations.
	b	involve such stakeholders in design and implementation of mitigation and monitoring plans		✓	IDB requires consultation in design of mitigation measures (B.6) and has clarified that it expects stakeholder involvement throughout implementation.
6	Appropriate expertise				
	a	use appropriate expertise for design and implementation of mitigation and monitoring plans		✓	IDB policy applies "appropriate expertise" standard to identification of impacts on CNH (B.9 Guidelines). IDB's Background Information states that it is IDB's practice to apply this standard to development of mitigation measures as well.
7	Disclosure				
	a	disclose draft mitigation plan/strategy in timely manner, before appraisal formally begins		✓	IDB's Background Information states that it "requires disclosure of draft EAs and discloses key results through the ESMR prior to Board consideration of an operation." On timing, EIA reports (that would contain ESMP) must be disclosed prior to analysis mission (B.5)
	b	disclose in accessible place		✓	Directive B.6 of Environment Safeguard requires disclosure in location to allow for meaningful consultation
	c	disclose in form & language understandable to key stakeholders		✓	Directive B.6 of Environment Safeguard requires disclosure in format and language to allow for meaningful consultation
NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy					
		Capacity development	OP specifies that If there are potential institutional capacity problems, "project includes components that develop the capacity of national and local institutions for effective environmental planning and management" (OP 6)		IDB includes capacity development provisions in environment safeguard policy.

DEFINITIONS		Natural Habitats, Critical Natural Habitats, Significant Conversion, Degradation	IDB utilizes similar definitions

Operational Principles		Elaboration from WB Operational Policies/Bank Procedures	IDB Gap Analysis
C. FORESTS		OP/BP 4.36 Forests, OP 4.36 Annex A Definitions	OP-703 Environment and Safeguard Compliance Policy and its Guidelines, including Directive B.9. OP-723 Forestry Development
1 Screening			
a	screen for impacts on forest health and quality and on rights and welfare of forest-dependent people		✓ IDB EIA guidelines require consideration of "baseline environmental and social conditions," "sustainable use of natural resources," "socioeconomic impacts," "impacts on indigenous peoples and communities," among other topics. These would encompass screening criteria of Operational principle although explicit attention to "rights and welfare of forest-dependent people" not emphasized in Background Information. Rights of IPs covered under OP-765.
b	screen as early as possible		✓ Screening carried out "early in preparation process (B.3)
c	evaluate prospects for new markets/arrangements as appropriate		✓ OP-723 Forest Development includes "Establishment of Forest-Based Industries" as a potential financing objective.
2 Critical forest areas			
a	do not finance projects that would significantly convert or degrade critical forest areas or related critical natural habitats		✓ IDB "will not support operations that, in its opinion, significantly convert or degrade critical natural habitats" (B.9). Forested areas fall under IDB definitions of NH and CNH.
b	do not finance projects that would contravene applicable international environmental agreements		✓ IDB requires compliance review of obligations under MEAs
3 Plantations/commercial harvesting			
a	do not finance natural forest harvesting or plantations that involve any conversion or degradation of critical forest areas of related CNH		✓ IDB's prohibition of financing operations that would significantly convert/degrade CNHs (B.9) precludes support for harvesting or plantation development in CNHs.
4 Non-critical forest areas			
a	if adverse impacts on non-critical natural forests or related NH, proceed only if no viable alternatives exist and include mitigation measures		✓ For operations that may significantly convert/degrade NHs, IDB will provide support only if "there are no feasible alternatives acceptable to the Bank" and "mitigation and compensation measures acceptable to the Bank" are in place (B.9)
5 Certification for commercial harvesting			
a	support commercial, industrial-scale forest harvesting only when certified under independent forest certification system or have time-bound action plan to meet internationally recognized standards		– IDB's Background Information states that "its policies require verifiable sustainable forest management" which may be achieved in a number of ways, including through certification systems. At the same time, it acknowledges that it does not require independent certification.
6 Restoration projects			

	a	ensure forest restoration projects maintain or enhance biodiversity and ecosystem functionality		✓	IDB's Background Information indicates that the EA process would address this requirement
	b	ensure all plantation projects are environmentally appropriate, socially beneficial and economically viable		✓	IDB's Background Information indicates that the EA process would address this requirement.
7		Preference to small-scale approaches			
	a	give preference to small-scale community-level management approaches when they best reduce poverty in sustainable manner		–	IDB policy requires that local groups participate in project benefits and it includes the option of supporting social and community-oriented forestry projects (OP-723), but does not "give preference" to community-level management approaches when they best reduce poverty. IDB notes that it would be within its mandate if FCPF instituted such a preference.
8		Community forestry			
	a	support commercial small-scale harvesting by local communities where operations are consistent with internationally recognized standards of responsible forest use		✓	IDB policy requires that local groups participate in project benefits and provides for support for social and community-oriented forestry projects (OP-723)
	b	monitoring includes meaningful participation of local communities		✗	IDB's Background Information does not address role of communities in monitoring projects. The ESMP must contain a monitoring framework (with indicators, schedules, costs), but does not appear to require community participation. (B.5)
9		Certification criteria			
	a	#####		✗	IDB policy does not require formal certification for commercial harvesting operations
	b	ensure decision-making procedures are fair, transparent, independent, and designed to avoid conflict of interest		✗	IDB policy does not require formal certification for commercial harvesting operations
	c	ensure meaningful participation of key stakeholders, including private sector, local communities, IPs	OP contains clearer participation requirement that "the system's standards must be developed with the meaningful participation of local people and communities; indigenous peoples; non-governmental organizations representing consumer, producer, and conservation interests; and other members of civil society, including the private sector." (OP 11)	✗	IDB policy does not require formal certification for commercial harvesting operations
10		Disclosure			
	a	disclose any time-bound action plans in timely manner, before appraisal formally begins		✓	EIA reports that would contain ESMP must be disclosed prior to analysis mission (B.5)
	b	disclose said plans in accessible place		✓	Directive B.6 of Environment Safeguard requires disclosure in location to allow for meaningful consultation

c	disclose in form & language understandable to key stakeholders		✓	Directive B.6 of Environment Safeguard requires disclosure in format and language to allow for meaningful consultation
NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy				
	introduction of invasive species	OP requires plantation projects be designed to prevent and mitigate threat of invasive species (OP 7)		IDB "will not support operations that introduce invasive species" (B.9)
	siting of plantations	OP includes siting preference for plantations on unforested or already converted lands (OP 7)		
DEFINITIONS				
	Critical Forest Areas			
	Note: IDB does not utilize term "critical forest areas." However, its definition of critical natural habitats covers most aspects of the World Bank's definition.	OP 4.36 Forests-- Annex A: "Critical forest areas are the forest areas that qualify as critical natural habitats under OP 4.04. Critical forest areas are the subset of natural forest lands that cover: (i) existing protected areas and areas officially proposed by governments as protected areas (e.g., reserves that meet the criteria of The World Conservation Union (IUCN) classifications), areas initially recognized as protected by traditional local communities (e.g., sacred groves), and sites that maintain conditions vital for the viability of these protected areas (as determined by the environmental assessment process); or (ii) sites identified on supplementary lists prepared by the Bank or an authoritative source determined by the Regional environment sector unit. Such sites may include areas recognized by traditional local communities (e.g., sacred groves); areas with known high suitability for biodiversity conservation; and sites that are critical for rare, vulnerable, migratory, or endangered species. Listings are based on systematic evaluations of such factors as species richness; the degree of endemism, rarity, and vulnerability of component species; representativeness; and integrity of ecosystem processes."		Directive B.9 Guidelines: "Critical natural habitats are: (i) existing protected areas, areas officially proposed by governments for protection or sites that maintain conditions that are vital for the viability of the aforementioned areas; and (ii) unprotected areas of known high conservation value. Existing protected areas may include reserves that meet the criteria of the IUCN Protected Area Management Categories I through VI; World Heritage Sites, areas protected under the RAMSAR Convention on Wetlands; core areas of World Biosphere Reserves; areas in the UN List of National Parks and Protected Areas. Areas of known high conservation value are sites that, in the Bank's opinion, may be: (i) highly suitable for biodiversity conservation; (ii) crucial for critically endangered, endangered, vulnerable or near threatened species listed as such in the IUCN Red List of Endangered Species; and (iii) critical for the viability of migratory routes of migratory species.

Operational Principles		Elaboration from WB Operational Policies/Bank Procedures	IDB Gap Analysis	
D.	INVOLUNTARY RESETTLEMENT	OP/BP 4.12 Involuntary Resettlement, OP 4.12 Annex A Involuntary Resettlement Instruments		OP-710 Involuntary Resettlement and its Principles and Guidelines
1	Alternatives			
	a assess all viable alternative project designs to avoid, where feasible, or minimize IR		✓	"Every effort will be made to avoid or minimize the need for [IR]. A thorough analysis of project alternatives must be carried out in order to identify solutions that are economically and technically feasible while eliminating or minimizing the need for involuntary resettlement" (Principle 1).
2	Assess impacts			
	a identify, assess, and address potential economic and social impacts that are caused by involuntary taking of land or involuntary access restrictions to legally designated parks and protected areas		✓	EIA and resettlement plan processes identify, assess, address impacts caused by IR. (See "c" below for policy scope and triggers)
	b use census and socio-economic surveys to identify people who will be affected		✓	While IDB's Background Information does not specifically reference census and surveys, its baseline data requirements are substantially equivalent ("Accurate baseline information must be compiled as early as possible ... include information on the number of people to be resettled, on their socio-economic
	c impacts caused by involuntary taking of land include relocation or loss of shelter, loss of assets or access to assets, loss of income sources of means of livelihood, whether or not affected person must move to another location		✓	Triggers for IR provisions in Operational Principle are "involuntary taking of land" and "involuntary restriction of access to ... parks and protected areas." IDB's IR policy on the other hand is triggered by "any involuntary physical displacement of people" (I). However, IDB's Background Information indicates that "physical displacement includes residential as well as livelihood related uses, including loss of physical access to resources" (ft. nt. 11).
3	Address impacts of related activities			
	a identify and address impacts of other activities (a) directly related to project, (b) necessary to achieve project objectives, and (c) carried out or planned contemporaneously with project		?	IDB's Background Information clarifies that its safeguard policies apply to an operation's "associated facilities" which covers points (a) and (b) of the operating principle. World Bank should clarify how it applies principle to point (c) regarding resettlement impacts caused by contemporaneous projects.
4	Stakeholder participation			

	a	consult project-affected communities and local NGOs, as appropriate		✓	IDB IR policy requires that consultations with "a representative cross-section of the displaced and host communities" (V), but does not specify inclusion of local NGOs. As noted under EA 7.b, IDB has included a Practice Note to indicating that it will apply principle of "broad-based participation" and inclusion of most relevant stakeholders in consultations for FCPF operation. Outline of Model Resettlement Plan also refers to participation of NGOs (5.e)
	b	#####		–	IDB policy requires that consultations occur "during the design phase and will continue throughout execution and monitoring of the [resettlement] plan" (V). However, Operational Principle emphasizes <u>participation</u> in "developing and implementing procedures for determining eligibility" which is not highlighted in IDB Background Information. IDB resettlement plan must contain grievance mechanism but degree of participation in its design is unaddressed. Resettlement plan requirements refer to "participatory supervisory arrangements."
	c	pay particular attention to needs of vulnerable groups among displaced, especially poor, landless, elderly, women and children, IPs, ethnic minorities	OP emphasizes complexity IP relocation, requiring consideration of all viable alternatives to avoid IP displacement; if relocation, then should be "compatible with cultural preferences." (OP 9)	✓	"Care will be taken to identify the most vulnerable subgroups and to ensure that their interests are adequately represented in this process" (V). Regarding potential resettlement of IPs, IDB requires their informed consent as well as direct benefits and full recognition and compensation for customary rights. (IV.4)
5	Compensation				
	a	inform displaced persons of rights and consult on options		–	IDB requires consultations for design of resettlement plan which requires "a definition of the various options to be made available under the compensation and rehabilitation package." Informing displaced persons of their rights is not highlighted in IDB Background Information.
	b	provide them with technically and economically feasible resettlement alternatives and assistance		✓	See 1.a above
	c	provide prompt compensation at full replacement cost for loss of assets		–	IDB requires "fair and adequate compensation and rehabilitation" (III.2); Guidelines state that displaced persons "should receive full replacement value for their assets" (Objective/Principle p. 2); Definitions state that "Replacement cost is the standard that helps achieve the livelihood restoration goals of the [IR] Policy," noting that "Compensation should be based on a realistic assessment of cost replacement value." However, language is aspirational ("should"). Timing addressed in 11 below.

	d	if relocation, provide assistance during relocation	OP states "such as moving allowances" (OP 6.b)	✓	... "compensate for transitional hardships (such as crop losses, moving costs, interruption of loss of employment, lost income, among others" (V.3)
	e	if relocation, provide residential housing, or housing sites, or agricultural sites of equivalent productive potential, as required		✓	IDB policy provides for housing replacement (V.3). IDB notes that standards for compensatory agricultural sites are covered by its livelihood restoration provisions.
	f	provide transitional support and development assistance (i.e., land preparation, credit, training) in addition to compensation		✓	IDB policy requires recovery of all losses caused by transitional hardships. However, Background Information does not specify whether provision of development assistance, in addition compensation, is mandatory. IDB notes that provision of further assistance covered by its livelihood restoration provisions.
	g	provide cash compensation for land when impact of land acquisition on livelihoods is minor	OP states that cash compensation may be appropriate when taken land is a small fraction [generally less than 20% of total productive area, ft. nt. 17] of affected asset and residual is economically viable, there is sufficient supply of land and housing, or livelihoods not land-based (OP, 12)	✓	When a significant number of persons to be resettled belong to marginal or low-income groups, IDB invokes special considerations, noting that "cash compensation will only be offered as an option if the social and economic conditions of the affected population, the institutional setting and housing market, or the complementary services included in the resettlement plan, are such to ensure that it can be invested in a manner that will restore the affected population's standard of living" (IV.3) IDB notes that livelihood restoration provisions limit degree of cash compensation.
	h	provide civic infrastructure and community services as required	OP requires that alternative or similar resources be provided to compensate for "loss of access to community resources (such as fishing areas, grazing areas, fuel, or fodder)" (OP 13.b)	✓	"Housing and service options, when included, will be appropriate for the social and cultural context and will, at the very least, meet minimum standards of shelter and access to basic services, regardless of conditions prior to resettlement." (OP, sec. 5.3)
6	Land-for-land preference				
	a	prefer land-based resettlement strategies for displaced persons whose livelihoods are land-based	OP calls for preference be given to land with at least equivalent productive and locational advantages as land taken (OP 11)	–	IDB requires "land-based resettlement" options for "indigenous communities or other low-income ethnic minority communities in rural areas" (IV.4) IDB also sets conditions for cash-for-land compensation for low-income groups (see 5.g above). However, it does not apply land-for-land preference across the board for all affected persons with land-based livelihoods.
7	No formal title				

	a	provide resettlement assistance, in lieu of compensation, to those without formal legal rights to lands or recognized claims to help improve or at least restore their livelihoods		✓	IDB policy applies 'restoration of livelihood' concept to all affected persons, including those without formal title. IDB notes lack of clear title to land as an impoverishment risk (IV.3) and "should not be a bar to compensation" (Guidelines, p. 2). IDB will "assess what additional measures [beyond entitlements under applicable law] are needed" (V.4). This will at a minimum achieve substantial equivalence with "provision of assistance" standard.
8	Disclosure				
	a	disclose draft resettlement plans in timely manner, before appraisal formally begins		✓	"A preliminary resettlement plan must be prepared as part of the Environmental and Social Impact Assessment (EIA). It must undergo a process of meaningful consultation with the affected population, and must be available as part of the EIA, prior to the analysis mission" (5.6).
	b	disclose in an accessible place		✓	Directive B.6 of Environment Safeguard requires disclosure in location to allow for meaningful consultation
	c	disclose in form & language understandable to key stakeholders		✓	Directive B.6 of Environment Safeguard requires disclosure in format and language to allow for meaningful consultation
9	Sub-projects				
	a	apply IR operational principles to sub-projects or sub-strategies requiring land acquisition	OP requires submission of a resettlement plan and Bank approval of subprojects that involve resettlement (OP 29)	✓	IDB requires subprojects that may eventually require resettlement are to be "carried out in accordance with Bank policies and guidelines." Policy specifically mentions subprojects of "global loans" and sector loans" although sector subproject language is less explicit (IV.5). Also, for global loans, IDB requires its approval of resettlement plan before commitment is made to finance any subproject that involves resettlement (V.7)
10	Access restrictions to parks & protected areas				
	a	For projects involving involuntary access restrictions to legally designated parks and protected areas, develop participatory process for (a) preparing and implementing components, (b) establishing eligibility criteria, (c) agreeing on mitigation measures that help improve or restore livelihoods in a manner that maintains sustainability of areas, (d) resolving conflicts, (e) monitoring implementation	OP specifies that "the nature of restrictions" is determined with the participation of the displaced persons during the design and implementation of the project." (OP 7)	✓	IDB requires good faith negotiations for projects with significant impacts and verified agreements for those with highly adverse effects. In addition, IDB requires consultations in design, implementation and monitoring of resettlement plan (see 4.b above). At same time, IDB Background Information is less specific regarding participation requirements concerning access restrictions.
	b	disclose participatory process plan before project appraisal		✓	IDB discloses resettlement plan, which contains consultation plan, as part of EA package before analysis mission.
11	Timing of plans and compensation				

	a	implement all relevant resettlement plans before project completion		?	IDB requires that resettlement plan contain calendar for execution of activities to ensure that "relocation sites (or other services) are made available in a timely manner (OP, p. 5). World Bank should clarify intent of this principle given that "project completion" may occur years after relocation.
	b	provide resettlement entitlements before displacement or restriction of access	OP requires that "taking of land and related assets may take place only after compensation has been paid, and where applicable, resettlement sites and moving allowances have been provided...." (OP 10).	–	IDB Background Information notes that compensation and rehabilitation must ensure that, "within the shortest possible period of time," displaced persons are to achieve minimum standards of living and access to resources and experience as little disruption as possible (III.2). IDB policy also requires that compensation and rehabilitation "must be taken in a timely way to ensure that transitional hardships are not necessarily prolonged and do not result in irreparable harm" (V.3). However, it does not address the specific sequencing requirement that compensation be provided <u>before</u> displacement or imposition of access restrictions.
	c	for projects involving access restrictions, impose restrictions in accordance with timetable of plan of actions		✓	IDB Background Information indicates timetables are component of resettlement plan.
12	Evaluate success				
	a	assess whether resettlement objectives have been achieved upon completion, utilizing baseline conditions and monitoring results		✓	IDB requires monitoring and final evaluation
NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy					
		physical relocation of indigenous peoples	IR OP notes complexity of resettlement of indigenous peoples and requires that all viable alternatives be explored to avoid it. When avoidance not feasible, preference is given to land-based resettlement strategies for these groups that are compatible with their cultural preferences (OP Annex A, 11)		IDB sets a higher standard regarding potential IP relocation. IDB will "only support operations that involve the displacement of indigenous communities or other low-income ethnic minority communities in rural areas, if the Bank can ascertain that: the resettlement component will result in direct benefits to the affected community relative to their prior situation; customary rights will be fully recognized and fairly compensated; compensation options will include land-based resettlement; and the people affected have given their informed consent to the resettlement and compensation measures" (IR OP, sec. 4.4)

	locational advantage of compensatory land	For land-for-land compensation, OP calls for preference be given to land with at least equivalent productive and locational advantages as land taken. Operational Principle does not address "locational advantage" criteria (OP 11).		Not specifically addressed in IDB policy.
	DEFINITIONS			
	"Replacement Cost": Note: World Bank's definition is more detailed and includes clearer standards on what costs are to be included.			
	WB "Replacement Cost"	WB: "With regard to land and structures, "replacement cost" is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in OP 4.12, para. 6." (OP Annex A, ft. nt. 1). "For losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts are made to establish access to equivalent and culturally acceptable resources and earning opportunities." (OP, ft. nt 11)		
	IDB "Fair and Adequate Compensation" and "Replacement Cost"	IDB: Compensation and rehabilitation are deemed fair and adequate when they can ensure that, within the shortest possible period of time, the resettled and host populations will: achieve a minimum standard of living and access to land, natural resources, and services (such as potable water, sanitation, community infrastructure, land titling) at least equivalent to pre-resettlement levels; recover all losses caused by transitional hardships; experience as little disruption as possible to their social networks, opportunities for employment or production, and access to natural resources and public facilities; and have access to opportunities for social and economic development. (III.2)		
		IDB: Guidelines, Objectives and Principles, p.2: "Provide Compensation at Replacement Cost: Displaced people must not be made to subsidize the main project through unfair compensation, and should receive full replacement value for their assets...." Definitions, p. 21: "Replacement cost is the standard that helps achieve the livelihood restoration goals of the Involuntary Resettlement Policy. See, for example, Guidelines, Definitions (p.21): As far as possible standardized measures should be used to assess the value of affected assets, particularly land and housing. These should be well publicized so as to make the compensation procedure as transparent as possible. Compensation should be based on a realistic assessment of cost replacement value...."		
	Involuntary restriction of access			

	<p>Note: World Bank defines access restrictions as loss of use of resources in parks and protected areas. IDB's policy covers access restrictions through provisions on loss of livelihoods and is less specific regarding parks and protected areas.</p>	<p>OP ft. nt. 9: "For the purposes of this policy, involuntary restriction of access covers restrictions on the use of resources imposed on people living outside the park or protected area, or on those who continue living inside the park or protected area during and after project implementation. In cases where new parks and protected areas are created as part of the project, persons who lose shelter, land, or other assets are covered under para. 3(a). Persons who lose shelter in existing parks and protected areas are also covered under para. 3(a)."</p>	<p>IDB Background Information: Restriction of access is covered under loss/restoration of livelihood (e.g., as in Guidelines (p.8 -Risk Assessment: "Loss of access to common resources, such as pasture land, forests and fisheries, may seriously affect the subsistence base and/ or income of certain groups, particularly indigenous peoples and traditional small farmers. Large public or private land holdings may also be used by indigenous peoples or small farmers for hunting, fishing or gathering forest products."</p>

Operational Principles		Elaboration from WB Operational Policies/Bank Procedures	IDB Gap Analysis
E. INDIGENOUS PEOPLES		OP 4.10 Indigenous Peoples (July 2005), BP 4.10, and related annexes	OP-765 Operational Policy on Indigenous Peoples and Guidelines
1	Screening		
a	screen early to determine whether IPs are present in, or have collective attachment to, project area		✓ IDB screens "all operations submitted for its consideration in the programming and identification stages in order to determine whether [IPs] might be affected" (OP, p. 10)
b	IPs are identified as possessing following characteristics in varying degrees: self-identification and recognition of this identity by others; collective attachment to geographically distinct habitats or ancestral lands and to natural resources in these areas; distinct customary cultural, economic, social or political institutions; and indigenous language	Regarding identification of IPs, OP also includes groups that lost collective attachment to lands due to prior forced severance (OP 4). OP also requires screening involve technical judgment of qualified social scientists (OP 8)	✓ IDB does not utilize "collective attachment to land" criteria in identifying IPs; however, its criteria – descendants of LAC populations at time of conquest/colonization, distinct institutions/practices, self-recognition – result in full identification of indigenous communities in LAC. Guidelines also stipulate that project team will consider whether project is located in close proximity to indigenous lands or territories or in a socioeconomic environment where IPs have a presence or where there may be physical, social, cultural, or economic interactions with IPs (G, 2.11.a+b)
2	FPICon and Broad Community Support		
a	undertake free, prior, informed consultation (FPICon) with affected IPs to ascertain their broad community support (BCS) for proposed projects	OP sets 'FPICon resulting in BCS' as a financing condition ("Bank provides project financing only where") (OP 1). Also, OP requires FPICon at each stage of project (OP 6) and defines FPICon (OP 10 and footnote 4)	✓ IDB requirements meet or exceed standard of Operational Principle. It requires socioculturally appropriate consultation processes and good faith negotiations for projects with adverse impacts; for very high risk projects (those with "particularly significant potential adverse impacts that carry a high degree of risk to the physical, territorial or cultural integrity of the affected indigenous peoples or groups), IDB requires verified agreements with affected IP communities (OP, p. 8) While IDB provides certain exceptions to consultation requirements (see below), these appear
b	solicit IP participation in designing, implementing, and monitoring avoidance and mitigation measures and compensation/benefits	OP 6 requires 'FPICon resulting in BCS' as participation standard	✓ IDB requires good faith negotiation processes with affected IPs "in relation to project design, analyses of alternatives, preparation, due diligence, and execution" (OP, p. 10). IDB also requires "socioculturally appropriate mechanism for the participation of affected [IPs] in the monitoring and evaluation" (OP, p. 11)
3	Social assessment		

	a	use social assessment or similar methods to assess potential impacts on IPs	OP requires social assessment be carried out by "social scientists whose qualifications, experience, and terms of reference are acceptable to the Bank" (OP 9)	✓	IDB policy requires it to "implement the mechanisms necessary to identify, assess and prevent or mitigate" impacts (OP, p. 8). It requires borrower to "conduct an evaluation to determine the seriousness of potential impacts (OP, p. 8). Guidelines notes project team will select the appropriate sociocultural evaluation methodologies (G, 2.18)
	b	avoid adverse impacts, or, when avoidance is not feasible, minimize, mitigate, or compensate for such effects		✓	IDB states will "conduct its operations in a way that prevents or mitigates direct or indirect adverse impacts on indigenous peoples or their individual or collective rights or assets" (OP, p. 8)
	c	give full consideration to options preferred by the affected IPs in the provision of benefits and design of mitigation measures		✓	Good faith negotiation and verified agreement standards exceed Operational Principle.
	d	tailor social and economic benefits in a culturally appropriate manner and are gender and intergenerationally inclusive		–	IDB requirement of socioculturally appropriate consultations, good faith negotiations and verified agreements address provision of benefits in culturally appropriate manner. IDB Background Information states that measures need to be consistent with "legitimate decision-making mechanisms of affected" [IPs] but does not highlight gender and intergenerational inclusivity.
4	Access restrictions to parks and benefits				
	a	Where access restrictions are not avoidable, ensure affected IPs participate in the design, implementation, monitoring and evaluation of management plans for such parks and protected areas	OP emphasizes that access restrictions are to occur only under "exceptional circumstances" and that priority be given to collaborative arrangements that enable IPs to continue to use areas/resources (OP 21)	✓	IDB includes "Practice Note" that access restrictions would be considered potentially significant impacts on IPs and would trigger at a minimum good faith negotiation processes noted in 2.a&b above. IDB policy requires specific safeguards for operations that affect legal status or management of lands traditionally occupied or used by IPs (OP, p. 8).
	b	ensure affected IPs share equitably in benefits from the parks and protected areas		?	IDB safeguards require IP participation in the "utilization, administration and conservation" of protected areas that affect areas traditionally used by IPs," and "whenever possible," participate in project benefits (OP, p. 8). Good faith negotiations and verified agreements (for high impact projects) with IPs would address benefit sharing. However, Operational Principle establishes a standard of 'equitable benefit sharing' that IDB's Background Information does not specifically address. At the same time, the World Bank should clarify how this standard is operationalized.
5	Action plan for legal recognition				

	a	put in place action plan for legal recognition of customary rights to lands and territories when project involves (a) activities that are contingent on establishing legally recognized rights to lands/territories that IPs traditionally owned, or customarily used or occupied; or (b) the acquisition of such lands		✓	IDB has indicated that a combination of policy provisions would result in an action plan for legal recognition of customary rights when projects involve acquisition of IP lands or other contingent activities. IDB notes that its operations must not negatively affect the legal status, rights, possession, or management of IP lands (see IDB "Note") and provides for "corrective or compensatory measures" where legal or administrative protection is insufficient (OP, p. 8). IDB notes that when land rights are in dispute, it will not act as arbiter or intermediary but will "require evidence of satisfactory resolution before proceeding with the corresponding activity" (OP ft. nt. 6). For projects with highly significant impacts on IPs, IDB requires negotiated agreements.
6	Commercial development				
	a	do not undertake commercial development of cultural resources or knowledge of IPs without prior agreement		✓	IDB requires prior agreement of affected IPs for commercial development of IP knowledge or cultural resources (OP, p. 9)
7	Indigenous Peoples Plan				
	a	prepare Indigenous Peoples Plan (IPP) based on social assessment and IP consultations that includes mitigation measures, culturally appropriate benefits/compensation, and includes grievance, M&E and budget arrangements		✓	IDB requires "incorporation into the project of enforceable measures for mitigation, restoration, and compensation reflected in the content of the loan document and of project contractual documents and detailed in plans for indigenous protection, compensation, and development or in other instruments in a timely way" (OP, p. 10). It requires a mitigation and compensation framework for projects with moderate/significant impacts (subject to good faith negotiations) or highly significant adverse impacts (subject to verified agreements). Guidelines define elements of mitigation framework, which include inter alia "a mechanism for conflict management" and budget (Guidelines, 3.9).
	b	use qualified professionals in development of IPP		✓	IDB Background Information does not address use of professionals in development of IPP. IDB OP (p. 10) and Guidelines (2.9) refer to potential use of experts (internal or external) in early technical review but not in development of mitigation framework. IDB policy requires that experts must be consulted when projects may impact uncontacted IPs (Guidelines, 2.53c). IDB has stated that in practice it requires appropriate expertise for all tasks.

8 Disclosure			
a	disclose draft IPP in timely manner, before appraisal formally begins	OP requires that as part of FPICon, "all relevant information about the project" be disclosed at each stage of preparation and implementation (OP 10)	✓ IDB's MBackground Information states that it "requires disclosure of draft EAs and discloses key results through the ESMR prior to Board consideration of an operation." Draft IPP would be included as part of draft EA. IDB also requires "availability of proper information to the affected groups as to the nature, scope, and impact of proposed activities with sufficient content, and appropriate and accessible format, and sufficient time to adequately evaluate the project...." (G, 3.7)
b	disclose in accessible place		✓ Directive B.6 of Environment Safeguard requires disclosure in location to allow for meaningful consultation
c	disclose in form and language understandable to stakeholders		✓ Directive B.6 of Environment Safeguard requires disclosure in format and language to allow for meaningful consultation
9 Monitoring			
a	monitor IPP implementation using experienced social scientists		✓ IDB supervises and verifies that agreed measures are fulfilled, and requires IP participation in monitoring (OP, p. 11). However, Background Information does not address issue of role of "experienced social scientists." IDB has stated that in practice it requires appropriate expertise for all tasks.
NOTE: Key principles not included in OP 4.00 but contained in WB Operational Policy			
	equitable benefit sharing of commercial development of IP cultural resources or knowledge	OP states that IPP is to include "arrangements to enable [IPs] to receive benefits in a culturally appropriate way and share equitably in the benefits to be derived from such commercial development" (OP 19)	
	commercial development of natural resources	For commercial development of natural resources on lands/territories traditionally owned, or customarily used or occupied by IPs, OP requires IPs be informed of their rights to such resources and that the IPP is "to enable [IPs] to share equitably in the benefits" of such commercial development. At a minimum, IPP "must ensure that the [IPs] receive, in a culturally appropriate manner, benefits, compensation, and rights to due process at least equivalent to that to which any landowner with full legal title to the land would be entitled in the case of commercial development of their land" (OP 18).	IDB's policy is less specific than the WB OP regarding commercial development of natural resources on IP lands, and it does not address 'equitable benefit sharing.' IDB's policy calls for participation of IPs in utilization, administration, and conservation of these resources, fair compensation for any damage, and "whenever possible, participation in project benefits" (OP, p. 8). Good faith negotiations and, in case of highly significant impacts, verified agreements with IPs would presumably address benefit sharing.

	physical relocation	OP emphasizes complexity of relocation of IPs and "requires the borrower to explore alternative project designs to avoid physical relocation of Indigenous Peoples. In exceptional circumstances, when it is not feasible to avoid relocation, the borrower will not carry out such relocation without obtaining broad support for it from the affected Indigenous Peoples' communities as part of the free, prior, and informed consultation process." (OP 20)	IDB sets a higher standard regarding potential IP relocation. IDB will "only support operations that involve the displacement of indigenous communities or other low-income ethnic minority communities in rural areas, if the Bank can ascertain that: the resettlement component will result in direct benefits to the affected community relative to their prior situation; customary rights will be fully recognized and fairly compensated; compensation options will include land-based resettlement; and the people affected have given their informed consent to the resettlement and compensation measures" (IR OP, sec. 4.4).

Operational Principles		Elaboration from WB Operational Policies/Bank Procedures	IDB Gap Analysis
F. PHYSICAL CULTURAL RESOURCES		OP/BP 4.11 Physical Cultural Resources	OP-703 Environment and Safeguards Compliance Policy (Directives B.9, A.1, B.2, B.5 and B.6 and their Guidelines)
1	Assess and address		
a	use EA to identify PCR	OP lists project types that require risk categorization for potential PCR impacts (significant excavations, demolition, earth movement, flooding, PCR preservation projects) (OP 5)	✓ The EA process will identify and assess impacts on critical cultural sites. For other noncritical cultural sites or artifacts, appropriate measures will be taken to protect their integrity and function" (B.9)
b	prevent or minimize or compensate for adverse impacts on PCR	OP requires development of a PCR management plan that specifies mitigation measures, capacity strengthening, and monitoring (OP 9)	✓ IDB "will not support operations that, in its opinion, ... damage critical cultural sites" (B.9) "[C]ritical cultural sites" include but are not restricted to those protected (or proposed for protection) and areas recognized as protected by traditional local communities (Definitions, p. 16) Non-critical cultural sites "should also be assessed and protected (B.9 Guideline).
c	enhance positive impacts on PCR through site selection and design		✓ IDB supports borrowers to protect cultural sites (A.1) and, if a project might damage a critical cultural site, it requires them to seek alternative plans (design, location or other) that do not damage such sites (B.9 Guideline)
2	Field surveys		
a	conduct field based surveys using qualified specialists to identify PCR issues		✓ IDB requires inclusion of specialist, "if necessary," to verify project does not damage a critical cultural site. IDB calls for socio-cultural assessment if initial assessment indicates project may affect such sites (B.9 Guideline).
3	Consultation		
a	consult government authorities, relevant NGOs, experts, and local people in PCR identification, impact assessment, and design and implementation of mitigation plans		✓ Guidelines call for support of qualified professionals or cultural heritage authorities in screening but not in design and implementation. General consultation requirements apply (incl. "broad based participation" principle noted in EA 7.b). IDB has stated that in practice it requires expertise for all technical tasks as appropriate.
4	Chance find procedures		
a	provide for use of "chance find" procedures for PCR that may be discovered during project implementation		✓ IDB requires borrower to "prepare and implement chance find procedures based on internationally accepted practices" (B.9)
5	Disclosure		

a	disclose draft mitigation plans as part of EA in timely manner, before appraisal formally begins		✓	IDB's Background Information states that it "requires disclosure of draft EAs and discloses key results through the ESMR prior to Board consideration of an operation." IDB policy also refers to "appropriate" information to allow for affected parties to be meaningfully consulted (B.6). For Cat. A operations, consultation required to review EA, but unclear if this would be draft version still open to revision. EIA reports (w/ ESMP) must be disclosed prior to analysis mission (B.5)
b	disclose in accessible place		✓	Directive B.6 requires disclosure in location to allow for meaningful consultation
c	disclose in form and language understandable to stakeholders		✓	Directive B.6 requires disclosure in format and language to allow for meaningful consultation