

SAFEGUARD POLICIES FOR WORLD BANK RECONSTRUCTION PROJECTS

This chapter is intended to provide guidance on the application of World Bank safeguards in post-disaster projects. It contains (1) a review of environmental and social safeguards procedures for normal operations, (2) a review of environmental and social safeguards procedures for post-disaster operations, (3) observations about the implementation of safeguards, and (4) case studies related to specific operations. It also includes links to the formats needed to prepare various documents required in the post-disaster environmental and social review process.

The World Bank's environmental and social safeguard policies are a cornerstone of its support to sustainable poverty reduction. The objective of these policies is to prevent and mitigate undue harm to people and their environment in the development process. These policies provide guidelines for Bank and borrower staffs in the identification, preparation, and implementation of programs and projects.

The Bank believes that the effectiveness and development impact of projects and programs it supports has substantially increased as a result of attention to these policies. Safeguard policies also provide a platform for the participation of stakeholders in project design and have been an important instrument for building a sense of ownership among local populations.

In essence, the safeguards ensure that environmental and social issues are evaluated in decision making, help reduce and manage the risks associated with a project or program, and provide a mechanism for consultation and disclosure of information. The safeguards are listed below. More detailed summaries of selected safeguard policies are included in the annex, Safeguard Policy Summaries.

World Bank Environmental and Social Safeguards and Their Policy Objectives

OP/BP	Safeguard	Policy objectives
4.01	Environmental Assessment*	Help ensure the environmental and social soundness and sustainability of investment projects. Support integration of environmental and social aspects of projects in the decision-making process.
4.04	Natural Habitats*	Promote environmentally sustainable development by supporting the protection, conservation, maintenance, and rehabilitation of natural habitats and their functions.
4.09	Pest Management	Minimize and manage the environmental and health risks associated with pesticide use and promote and support safe, effective, and environmentally sound pest management.
4.11	Physical Cultural Resources (PCR)*	Assist in preserving PCR and in avoiding their destruction or damage. PCR includes resources of archeological, paleontological, historical, architectural, religious (including graveyards and burial sites), aesthetic, or other cultural significance.
4.12	Involuntary Resettlement*	Avoid or minimize involuntary resettlement and, where this is not feasible, assist displaced persons in improving or at least restoring their livelihoods and standards of living in real terms relative to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
4.20	Indigenous Peoples*	Design and implement projects in a way that fosters full respect for indigenous peoples' dignity, human rights, and cultural uniqueness and so that they (1) receive culturally compatible social and economic benefits, and (2) do not suffer adverse effects during the development process.
4.36	Forests*	Realize the potential of forests to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, and protect the vital local and global environmental services and values of forests.

This Chapter Is Especially Useful For:

- Policy makers
- Lead disaster agency

OP/BP	Safeguard	Policy objectives
4.37	Safety of Dams	Ensure quality and safety in the design and construction of new dams and the rehabilitation of existing dams, and in carrying out activities that may be affected by an existing dam.
7.50	Projects on International Waterways	Ensure that the international aspects of a project on an international waterway are dealt with at the earliest possible opportunity and that riparians are notified of the proposed project and its details.
7.60	Projects in Disputed Areas	Ensure that other claimants to the disputed area have no objection to the project, or that the special circumstances of the case warrant the Bank's support of the project notwithstanding any objection or lack of approval by the other claimants.

* Safeguards most likely to apply in post-disaster situations.

Environmental Safeguard Requirements for Normal Operations

The normal World Bank Policy for Environmental Assessment is guided by Operational Policy/Bank Procedure (OP/BP) 4.01 and consists of seven basic elements¹:

1. World Bank, 1999, OP 4.01 "Environmental Assessment," <http://go.worldbank.org/K7F3DCUDD0> and BP 4.01 "Environmental Assessment," <http://siteresources.worldbank.org/INTFORESTS/Resources/OP401.pdf>; and "Environmental Assessment Sourcebook and Updates," <http://go.worldbank.org/LLF3CMS110>.
 2. World Bank, 1999, OP 4.01 "Environmental Assessment, Annex C, Environmental Management Plan" <http://go.worldbank.org/B06520UI80>.
1. Screening
 2. Environmental assessment (EA) documentation requirements
 3. Public consultation
 4. Disclosure
 5. Review and approval of EA documentation
 6. Conditionality in loan agreements
 7. Arrangements for supervision, monitoring, and reporting

The table below outlines the requirements for each of these elements.

Elements of World Bank Environmental Assessment

EA policy element	Policy requirement	Comment
1. Screening	Projects are categorized as: Category A (high risk-- likely to have significant adverse environmental impacts that are sensitive, diverse, or unprecedented) Category B (modest risk-- 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) Category C (likely to have minimal or no adverse environmental impacts), or Financial Intermediary (FI) operation (involves investment of Bank funds through a financial intermediary, in subprojects that may result in adverse environmental impacts)	Project assessed a priori, depending on estimated environmental risk
2. Documentation	Category A, Detailed Environmental Impact Assessment (EIA) Category B, Environmental Management Plan (EMP) Category C, No requirement Category FI, Environmental Framework	Format presented in OP 4.01 (Annex B) Format presented in OP 4.01 (Annex C) ² Specific investments unknown before project implementation. Documentation includes requirements for subproject EA. Environmental Framework describes EA process. Loan conditions include obligation for effective supervision and monitoring of EMP implementation. Sector investment loans may have similar requirements.



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EA policy element	Policy requirement	Comment
3. Consultation	Category A At least two consultations Category B At least one consultation	Consultations are conducted to receive input from local affected groups on their views of important environmental issues
4. Disclosure	Category A At the World Bank Infoshop (English) In-country, accessible to local affected groups (local language) Category B In-country, accessible to local affected groups (local language) Category FI Framework disclosed at the World Bank Infoshop and appropriate in-country Web site (e.g. Ministry of Environment). Individual subproject disclosure requirements defined in Framework	
5. Review and approval	Category A Regional Safeguards Coordinator Category B Sector Manager or Regional Safeguards Coordinator Category FI Framework reviewed/approved by Regional Safeguards Coordinator; individual subproject review and approval arrangements defined in Environmental Framework	Depends on whether project is “delegated”
6. Conditionality	Borrower is obligated to implement EMP (Category A or B)	
7. Supervision, monitoring, and reporting	Category A, B, or FI Institutional arrangements defined in EA documentation (EIA, EMP, or Framework)	

Environmental Safeguard Policy Requirements for Emergency Loans

As described in [Chapter 20](#), World Bank Response to Crises and Emergencies, World Bank response to emergencies (including natural disasters) is guided by OP/BP 8.00, “Rapid Response to Crises and Emergencies”³ and the “Rapid Response to Crises and Emergencies: Procedural Guidelines.”

Generally speaking, Emergency Recovery Projects are not exempt from the World Bank EA Policy (see OP 4.01, paragraph 13). Under unusual circumstances, a project may be exempted, but this requires a formal process and the justification must be recorded in the loan documents. If any waivers or exemptions from OP/BP 8.00 are required, the Task Team Leader should seek approvals prior to loan negotiations. The [case studies](#), below, show how the policy was applied in Bank operations after the 1999 Marmara, Turkey, earthquake and the 2004 Indian Ocean tsunami in Sri Lanka.

The EA policy requires that the World Bank operation determine:

- the extent to which the emergency was precipitated or exacerbated by inappropriate environmental practices prior to the emergency; and
- any measures to correct these practices to be incorporated into the project or a future lending operation, for example:
 - mudslides destroying residences, villages, and infrastructure because of excessive rainfall, but made worse by deforestation; and
 - flooding caused by hurricanes, typhoons, etc., made worse by poor coastal management practices (destruction of wetlands, removal of mangrove swamps etc.).

3. World Bank, “OP 8.00, Rapid Response to Crises and Emergencies,” <http://go.worldbank.org/IKGMVADFB0> and “BP 8.00, Rapid Response to Crises and Emergencies,” <http://go.worldbank.org/IE6E6NYJG1>.

Combined Preparation-Appraisal Mission

Prior to the departure of the combined preparation-appraisal mission, the Task Team (ideally the Task Team Safeguards Specialist) should perform the following:

■ Prepare Draft Integrated Safeguard Data Sheet (ISDS)⁴

New loan

Prepare a draft ISDS for the project. The ISDS will be revised and updated during project preparation.

Project restructuring

Revise the ISDS from the original project design, as appropriate.

■ Meet with the Regional Safeguards Coordinator

New loan or project restructuring

1. Discuss the project scope.
2. Review the draft ISDS.
3. Agree on a preliminary EA Category rating for the overall project (A, B, C, or FI).
4. Define EA documentation requirements.
5. Establish requirements for consultation, disclosure, review, and approval of EA documents. OP 4.01 has detailed procedures for consultation, disclosure, review, and approval of EA documentation during normal project preparation. However, when OP 8.00 applies, these procedures are subject to being streamlined, consolidated, and simplified (OP 8.00, 7(a)). Therefore, agreement should be reached with the Regional Safeguards Coordinator as to how these procedures are to be modified.
6. Determine if the project is or is not delegated.

■ Meet with the Environment and International Law Unit (LEGEN)

Determine country-specific policies and regulations for environmental safeguards (primarily EA) in emergency/disaster situations. If such information is not available, LEGEN should provide the Task Team with the primary government contacts who have this information.

During the combined preparation-appraisal mission, the Task Team Safeguards Specialist will take the following steps.

1. Meet with government environmental officials to determine country-specific policies and regulations for environmental safeguards (primarily EA) in emergency/disaster situations.
2. Conduct consultations with locally affected groups.
3. Revise and update ISDS as necessary.
4. Begin preparation of EA documents.

Upon mission completion, the Task Team Safeguards Specialist will take the following steps.

1. Meet with the Regional Safeguards Coordinator to finalize the ISDS and EA category and receive clearance of the ISDS.
2. Finalize EA documents (see below) as agreed upon with Regional Safeguards Coordinator.
3. Disclose EA documents as agreed upon with the Regional Safeguards Coordinator. The Environmental and Social Screening and Assessment Framework (ESSAF) (see below) must be disclosed as a condition of loan approval.

Legal agreements must include obligations of the borrower to implement the requirements specified in the EA documents.

EA Documentation Requirements

Normally, an emergency operation will require two procedural approaches: one for known subprojects to be implemented immediately, and another for projects that would be identified in the future in different time horizons (immediate, transitional, and long term).

For subprojects known at the time of loan approval. Either a detailed EIA report (OP 4.01 Annex B-subprojects considered Category A) or an EMP (OP 4.01 Annex C-subprojects considered Category B) is required for each subproject. The decision is related to degree of environmental risk associated with the individual subproject. Agreement should be reached with the Regional Safeguards Coordinator on the environmental risk of each subproject and thus which EA document

4. For samples of project ISDS documents, search in World Bank, "Documents and Reports," under "Project Documents," <http://go.worldbank.org/XFNFI0S00>.



is appropriate. Since information requirements of an EIA report are considerably greater than an EMP, the effort required to prepare an EIA is usually greater and requires more time. Therefore, unless there is an urgent need, it is strongly recommended that subprojects requiring an EIA be financed during either the medium- or long-term phases of the project.

For subprojects not known at the time of loan approval. An ESSAF is required for these loans. The environmental portion of the ESSAF describes EA safeguard review procedures to be followed as subprojects are identified and considered for financing. This framework should have the following characteristics.

- Be consistent with both the host country and the World Bank environmental safeguard requirements.
- Adopt a sequenced approach, describing different procedures for subprojects to be supported:
 - Immediately (2-4 month time frame)
 - Transitional (1-year time frame)
 - Long-term (beyond one year)
- Describe procedures and responsible organizations for each of the following actions:
 - Subproject screening
 - EA documentation
 - Public consultation
 - Disclosure
 - Review and approval
 - Conditionality
 - Supervision, monitoring, and reporting

Challenges in Developing ESSAF Documents

The following observations are based on discussions with Task Managers of post-disaster operations.

ESSAF preparation. The ESSAF document is a unique World Bank safeguard requirement.⁵ Unless the host country already has had a World Bank disaster operation, host country institutions involved with disaster operations (Ministry of Housing, Ministry of Finance, etc.) are normally not familiar with World Bank safeguard requirements and would likely take a very long time to produce the ESSAF document by themselves, likely involving several iterations. Furthermore, host countries do not usually place a high priority on environmental and social safeguard issues during disaster situations, and the ESSAF document is often viewed as an obstacle to receiving the immediate assistance they need.

Forcing attention on these concerns may be extremely frustrating to all parties concerned and could affect the relationship between the host government and the World Bank. Therefore, the Bank team should either prepare the draft ESSAF for the host country review and approval or work closely with the host country in preparing the ESSAF document.

At least one public consultation with affected groups should be conducted as part of ESSAF preparation to ascertain priority issues. This will help identify the need for safeguard policies other than EA and resettlement being triggered (e.g., natural habitats, cultural properties).

ESSAF capacity assessment. As part of the ESSAF preparation, the World Bank team should conduct a capacity assessment of the institutions that will be responsible for ESSAF implementation to determine if there is sufficient staff/expertise/authority to implement ESSAF requirements.

It is strongly recommended that such an assessment be done *ex ante* in countries prone to natural disasters (in this way valuable time in a disaster operation will not be spent on preparing a capacity assessment evaluation).

ESSAF implementation. The ESSAF requirement is relatively new, and implementation experience in practice has so far not been exemplary. It is a critical aspect of World Bank safeguards to ensure proper supervision and follow-up of ESSAF implementation.

In disaster situations, host governments will generally agree initially to the Bank's environmental requirements in the interest of getting access to the resources that are needed to address the disaster. Without guidance on ESSAF implementation and attention from the World Bank, ESSAF requirements may be forgotten during project implementation.

5. See World Bank, "Rapid Response to Crises and Emergencies: Procedural Guidelines."

If there is a Project Implementation Unit (PIU), the project team should require an environmental and/or a social safeguards specialist be included on the PIU staff, either a staff person or an experienced consultant. The PIU should issue regular, frequent reports to affected groups and implementing institutions on any environmental or social issues that arise, measures taken to address these issues, parties responsible for addressing the issues, and a schedule for their resolution. The PIU should also issue regular and frequent information to affected groups regarding vital services, such as safety of water supply, and interim arrangements for wastewater management and solid waste disposal.

Case Studies

2004 Indian Ocean Tsunami, Emergency Recovery Program, Sri Lanka

Context. In December 2004, a massive earthquake registering 9.0 on the Richter scale struck the coast of Sumatra, Indonesia, and triggered a series of tsunami waves that directly affected coastal areas of many countries around the Indian Ocean, including Sri Lanka. The tsunami waves struck more than 1,000 km. of coastline and penetrated inland as far as 500 meters.

The government of Sri Lanka asked, *inter alia*, the World Bank for assistance in conducting a damage assessment and, simultaneously, worked with the World Bank to prepare a restructuring operation: “Tsunami Emergency Recovery Program – Phase I.”

Design and preparation. Safeguard policies as required by the World Bank were adequately designed into the project framework. An Environmental and Social Screening and Assessment framework (ESSAF) was prepared. The framework was designed to help government properly address and mitigate safeguard issues. For environmental risks, this included an assessment of governments’ review and approval process for EIAs and of its capacity to monitor implementation of environmental mitigating measures.

Implementation. The period after the tsunami saw a boom in reconstruction activities across the country. Government adopted a policy of “build back better.” As a consequence, the opportunity to integrate cross-cutting ecological and environmental concerns was lost. After the disaster, government announced the use of a buffer zone as a disaster prevention mechanism. This was most likely done as an immediate response and was not based on sound technical judgment or on public consultation. The resulting effects on the environment were profound. With physical reconstruction prohibited in the “no build zone,” vast extents of new hinterland (including some natural areas) were cleared for proposed housing schemes. No system of EA was involved with the site selection and construction process; environmental planning took a low priority. The policy was later withdrawn and the Coast Conservation Department developed a more reasonable Coastal Zone Management Plan.

Key environmental issues included those associated with extraction of natural resources as construction materials. Reconstruction created a building boom of unprecedented scale and a high demand for sand, timber, rubble, and clay, among other resources. There was no system in place to verify the origin of these materials, even though sources were identified in the EIAs. As a consequence, much of this material was extracted illegally. Although the EIAs discussed removal of debris, by the time the EIAs were mobilized, debris had already been removed and used for roads and landfill. This gave rise to adverse drainage issues in some locations.

In summary, the project did include environmental safeguards as required. However, post-clearance monitoring and secondary impacts were not properly anticipated or addressed.

1999 Marmara Earthquake Emergency Reconstruction Project, Turkey

Context. On August 17, 1999, an earthquake measuring 7.4 on the Richter scale devastated the Marmara region of Turkey. More than 15,000 lives were lost and about 200,000 people were left homeless.

The World Bank undertook an assessment to outline the likely impact of the earthquake on the economy and estimated the fiscal burden for reconstruction and recovery in the range of US\$1.8–US\$2.2 billion. The largest direct cost (US\$0.7–US\$1.2 billion) was for reconstruction and repair of the region’s housing stock.



Design and preparation. The main objectives of the program were to restore living conditions in the affected region of Marmara, support economic recovery and growth, and develop an institutional framework for disaster risk management and mitigation.

Investments included housing replacement or reconstruction and restoration of sports fields, playgrounds, and other common spaces. Feedback from housing reconstruction beneficiaries received during public consultations soon after the disaster led to design changes in the housing units. Monitoring and evaluation activities of the Project Implementation Unit (PIU) and consultant reports resulted in additional public outreach efforts to the beneficiaries of the rural housing reconstruction component. A monthly newsletter was published and distributed by the PIU at the earthquake reconstruction project sites. This allowed for further adjustments and reallocations during project implementation.

Implementation. The project was developed with full compliance with the World Bank safeguard policies in effect at the time of preparation (EA and involuntary resettlement). During preparation, sites proposed by government for urban housing were planned on public land, but early in the implementation process it was clear that some expropriation would be needed. The Task Team did due diligence and proceeded in compliance with the requirements of OP 4.12, including adherence to the Resettlement Plan and close supervision of compensation. Regular site visits were made by the PIU's social scientist.

Environmental safeguards were also monitored closely by the PIU, its local branches, and the World Bank Task Team with respect to compliance with the Environmental Management Plan. The PIU had well-qualified engineers, provided environmental training to the contractors, and had a constant presence at the construction sites. Monthly environmental reports were prepared and submitted to the World Bank for review. Both the PIU and the World Bank were actively involved in ensuring high environmental standards for the reconstruction, exemplified by careful attention to the construction of a sewage treatment plant to ensure adequate treatment before municipal sewage from the housing complex near Golcuk was discharged into the Bay of Izmit. Also, as a result of careful site monitoring, additional measures for erosion control were introduced.

1999 Armenia Earthquake Recovery Project, Colombia

Context. On January 25, 1999, an earthquake measuring 6.2 on the Richter scale struck the coffee-growing region of Colombia. This was followed by an aftershock measuring 5.8 on the Richter scale. As a result of the earthquake, there were more than 1,000 deaths and more than 150,000 people left homeless. The most important physical loss was housing, but the region's infrastructure (schools, health centers, primary and secondary roads, electric power facilities, water supply and sewerage systems, and the airport) also suffered significant loss/incapacitation.

Design and Preparation. Within a week of the disaster, international donors and nongovernmental organizations assisted with immediate needs (clearing debris and temporary shelter). The World Bank was involved in the medium- and longer-term reconstruction program. Four existing World Bank loans (Municipal Health Services, Secondary Education, Agricultural Technology Development and Urban Environmental Management) were restructured for this project (totaling US\$93 million).

The government of Colombia established a Reconstruction Fund for the Coffee Region (FOREC) reporting to the country's president. FOREC was to finance, execute, and coordinate the economic, social, and environmental reconstruction of the affected region. FOREC's functions were to design operational guidelines for implementation of reconstruction activities, work with local mayors to provide a framework for reconstruction activities, and oversee the reconstruction effort.

The World Bank prepared the Earthquake Recovery Loan with an additional US\$225 million to continue the reconstruction effort for repair of 509 schools, rebuilding of 142 schools, and repair of 74 hospitals and health centers.

Implementation. Government recognized immediately that the earthquake had caused a number of environmental problems, and the reconstruction process offered a number of opportunities to strengthen local environmental institutions and improve environmental management. A Regional Environmental Management Plan was ordered by presidential decree (1999) that was intended to ensure the reconstruction process (including debris removal) followed environmental safeguards and ensured environmental sustainability of natural resources. Environmental standards for reconstruction work were established, land use plans were prepared which, inter alia, identified high-risk areas that were not to be developed. The process included public participation. As a result of this effort, approximately 13,000 families had to be relocated from high-risk areas. This approach enhanced local government capacity for environmental management (e.g., debris handling, soil stabilization, drainage management). Municipal administrations had a greater role in land use for public and social infrastructure works, and new housing was not placed in high-risk areas.



Natural Habitats (OP/BP 4.04)

This policy prohibits Bank support for projects that would lead to the significant loss or degradation of any Critical Natural Habitats, whose definition includes those natural habitats that are:

- legally protected;
- officially proposed for protection; or
- unprotected but of known high conservation value.

The policy is “triggered” if a subproject could result in any one or more of the following four events:

- A loss of natural habitats
- Construction of “linear features” (e.g., roads, transmission lines, pipelines) that might cut through natural habitats
- An effect on the water supply to or drainage from natural habitats
- A direct or indirect result in resettlement or migration of people in a way that would adversely affect natural habitats

If, as part of the EA process described above and/or discussions with the Regional Safeguards Coordinator, the potential for significant conversion or degradation of critical or other natural habitats is identified (in accordance with one or more of the indicated criteria), the subproject is classified as Category A; projects otherwise involving natural habitats are classified as Category A or B, depending on the degree of their ecological impacts.

During the combined preparation-appraisal mission, the Task Team Safeguards specialist should meet with government environmental officials and verify whether or not natural habitats would be affected by the project. If natural habitats are involved, the manner in which the issue would be addressed should be described in the EA documentation.

Physical Cultural Resources (OP/BP 4.11)

This policy addresses PCR, which are defined as movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance. They may be located in urban or rural settings, and may be above or below ground or under water. Their cultural interest may be at the local, provincial, or national level, or within the international community.

If the EA process described above or discussions with the Regional Safeguards Coordinator indicate a subproject (1) will involve significant excavations, demolition, movement of earth, flooding, or other environmental changes; or (2) will be located in, or in the vicinity of, a physical cultural resources site recognized by competent authorities of the borrower, the policy would be tentatively considered “triggered.”

During the combined preparation-appraisal mission, the Task Team Safeguard Specialist should meet with government competent authorities and verify whether physical cultural resources would be affected by the project. If it is verified that the project has any of the characteristics set out in (1) or (2) above, the policy is triggered and assigned to either Category A or B. The manner in which the issue would be addressed should be described in the EA documentation.

Indigenous People (OP/BP 4.20)

This policy contributes to the Bank’s mission of poverty reduction and sustainable development by ensuring that the development process fully respects the dignity, human rights, economies, and cultures of indigenous peoples. For all projects that are proposed for Bank financing and affect indigenous peoples, the Bank requires the borrower to engage in a process of free, prior, and informed consultation.

A project proposed for Bank financing that affects indigenous peoples requires:

- screening by the Bank to identify whether indigenous peoples are present in, or have collective attachment to, the project area (see paragraph 8 of the policy);
- a social assessment by the borrower (see paragraph 9 and Annex A of the policy);
- a process of free, prior, and informed consultation with the affected indigenous peoples’ communities at each stage of the project, and particularly during project preparation, to fully identify their views and ascertain their broad community support for the project (see paragraphs 10 and 11 of the policy);
- the preparation of an indigenous peoples planning framework; and
- disclosure of the draft indigenous peoples planning framework.

Forests (OP 4.36)

This policy applies to the following types of Bank-financed investment projects:

- Projects that have or may have impacts on the health and quality of forests
- Projects that affect the rights and welfare of people and their level of dependence on or interaction with forests
- Projects that aim to bring about changes in the management, protection, or utilization of natural forests or plantations, whether publicly-, privately-, or communally-owned.

The Bank does not finance projects that, in its opinion, would involve significant conversion or degradation of critical forest areas or related Critical Natural Habitats. If a project involves the significant conversion or degradation of natural forests or related natural habitats that the Bank determines are not critical, and the Bank determines that there are no feasible alternatives to the project and its siting, and comprehensive analysis demonstrates that overall benefits from the project substantially outweigh the environmental costs, the Bank may finance the project, provided that it incorporates appropriate mitigation measures.

The policy is “triggered” if any one of the following criteria is applicable.

- The project could result in direct or indirect loss of forests of high ecological value (e.g., through improving access for logging).
- The project would finance commercial logging operations or purchase of logging equipment.
- The host country is committed to sustainable management of forests.
- Early in project processing, the Task Team consults with the Regional Safeguards Coordinator and, as necessary, with Environmentally and Socially Sustainable Development (ESSD) and other networks to determine if any forest issues are likely to arise during the project.

For each project covered under the scope of the policy, World Bank staff ensure that an EA category is assigned in accordance with the requirements of OP/BP 4.01, Environmental Assessment. A project that is likely to have significant adverse environmental impacts with potential for conversion or degradation of natural forests or other natural habitats that are sensitive, diverse, or unprecedented is classified as Category A; projects otherwise involving forests or other natural habitats are classified as Category B, C, or FI, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its environmental impacts.

Resettlement (OP/BP 4.12)

This policy covers direct economic and social impacts that both result from Bank-assisted investment projects and are caused by:

- the involuntary taking of land resulting in:
 - relocation or loss of shelter;
 - loss of assets or access to assets; or
 - loss of income sources or means of livelihood, whether or not the affected persons must move to another location; or
- the involuntary restriction of access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods of the displaced persons.

This policy applies to all components of the project that result in involuntary resettlement, regardless of the source of financing. It also applies to other activities resulting in involuntary resettlement that in the judgment of the Bank, are:

- directly and significantly related to the Bank-assisted project;
- necessary to achieve its objectives as set forth in the project documents; and
- carried out, or planned to be carried out, contemporaneously with the project.

To address the impacts above, the borrower ordinarily prepares a resettlement plan or a resettlement policy framework (see paragraphs 25-30 of the policy) that covers the following:

- Measures to ensure that the displaced persons are informed about their options and rights; consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives; and provided prompt and effective compensation at full replacement cost for losses of assets
- If the impacts include physical relocation, measures to ensure that the displaced persons are provided assistance (such as moving allowances) during relocation; and provided with residential housing, or housing sites, or, as required, agricultural sites for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the old site
- Where necessary to achieve the objectives of the policy, measures to ensure that displaced persons are offered support after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living; and provided with development assistance in addition to compensation measures, such as land preparation, credit facilities, training, or job opportunities

Requests for guidance on the application and scope of this policy should be addressed to the Resettlement Committee (see BP 4.12, paragraph 7).

