

EVALUATION OF THE WORLD BANK GROUP'S EXPERIENCE WITH SAFEGUARD AND SUSTAINABILITY POLICIES (1999-2008)

APPROACH PAPER

*Independent Evaluation Group, World Bank
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1. Background, Rationale and Scope

BACKGROUND

1. Environmental and social concerns about public and private sector investments in developing countries have increased significantly in recent decades with a growing societal awareness of the potential risks if the wider impacts of projects are not fully considered. Over time the World Bank Group (WBG) and other IFIs have developed safeguard and sustainability policies (from hereon safeguard policies) to address these concerns and associated risks. They have, moreover, aimed to build the capacity of country and private sector clients in implementing such safeguard policies and encouraged a common framework to be adopted globally. The WBG remains publicly accountable for its guidance in ensuring the effective implementation of safeguard policies for the projects that it supports, but WBG projects are a relatively small proportion of all investment projects in developing countries. Thus the WBG has considered it important to promote its safeguard policies as global standards and encourage their use by other interested financial institutions.
2. Environmental issues first entered the IBRD/IDA developmental agenda following the first United Nations Conference on the Human Environment in Stockholm in 1972¹, and gradually moved center-stage in response to growing awareness from civil society and NGOs of the environmental and social impacts of projects and concerns over negative impacts associated with a few high-profile projects and programs financed in the early 1980s. By the late 1980s, the donor community had also reinforced this high priority for the environment by linking IDA replenishments to greater Bank efforts for, inter alia, integrating environmental concerns into broader operational and analytical activities, upgrading the identification and assessment of sensitive projects, and ensuring the disclosure of project information and consultations with the affected population and

1. This was followed by the United Nations Conference on Environment and Development (also known as the "Earth Summit") in Rio de Janeiro in 1992, and the World Summit on Sustainable Development in Johannesburg in 2002. For both events the IBRD/IDA contributed a World Development Report devoted to environment and development, thus firmly establishing the conceptual framework for the convergence of environmental and economic development as an essential element in sustainable development. The WBG's first explicit strategy for the environment, entitled "Making Sustainable Commitments", was presented to the Board in July 2001.

other stakeholders. IBRD/IDA accordingly established an Environment Department at its center as well as Environmental Divisions in each of its operational regions.

3. In parallel, the Bank was also evolving towards a greater focus on the social aspects of projects, so as to contribute not only to economic development, but also to improved welfare and poverty alleviation. In 1980, the Bank was the first international development agency to issue a policy statement concerning involuntary resettlement. IBRD/IDA also developed social policies regarding Indigenous Peoples. From the mid 1980s to the mid 1990s—as the potentially adverse social impacts of large scale development projects became more evident, and the complex causes of poverty became better understood—methods and tools were developed to incorporate social considerations into project design, aiming to ensure that the poor benefitted from the project as well as those people directly affected by Bank-financed projects.

4. In 1989, formal policies and procedures were introduced in the Bank for environmental assessment of all projects through the Operational Directive (OD) 4.00, updated as OD 4.01 in 1991. This was replaced in 1999 by Operational Policy (OP) 4.01 to create a common framework for environmental assessment for the WBG including IFC. IBRD/IDA currently has ten “Safeguard Policies” consisting of six environmental, two social and two legal policies as well as an additional policy on public disclosure (see Table 1). Many multilateral development banks have based their policies for public sector lending on those of the IBRD/IDA or have used specialized Bank policies in place of developing their own policies.

Table 1 World Bank's Safeguard Policies

Environmental Policies	Social Policies
OP 4.01 Environmental Assessment OP 4.04 Natural Habitats OP 4.09 Pest Management OP 4.11 Physical Cultural Resources OP 4.36 Forests OP 4.37 Safety of Dams	OP 4.10 Indigenous Peoples OP 4.12 Involuntary Resettlement
Legal Policies	Information Disclosure Policy
OP 7.50 International Waterways OP 7.60 Disputed Areas	Handbook on Public Disclosure

5. IFC's involvement with environment issues dates back to 1988 when the institution hired its first environmental specialist. IFC's strategies have addressed environmental and social sustainability since 2000. Until 2006, IFC used the ten WBG safeguard policies and the Environmental Health and Safety (EHS) guidelines in the WBG's Pollution Prevention and Abatement Handbook (1998), together with its own guidelines and policies, and the 1998 procedures for environmental and social review of projects, as its safeguard policy framework. In 2003 the IFC safeguard policy framework was reviewed by the Compliance Advisor Ombudsman (CAO) who proposed ways to enhance its performance. In line with the CAO recommendations and following comprehensive public and WBG consultation, the Board approved in April 2006 a new

“Policy and Performance Standards on Social & Environmental Sustainability”, and a “Policy on Disclosure of Information” for the IFC to promote sustainable private sector development in developing countries, helping to reduce poverty and improve people’s lives. In 2006 IFC management approved the “IFC Environment and Social Review Procedures” (ESRP), which were revised in July 2007. This new safeguard policy framework defines the roles and responsibilities for IFC and its clients —requiring clients to meet eight applicable outcome-based IFC Performance Standards, and project-specific legal requirements. It also outlines the process through which IFC staff implements investment and advisory service projects. IFC has prepared Guidance Notes that supports the eight Performance Standards and in cooperation with the Bank revised the EHS Guidelines in 2008, which together with the 2006 Policy, Performance Standards and ESRP comprise the building blocks of IFC’s present safeguard policy framework, the focus of the IFC part of the evaluation.

6. In June, 2003 IFC advised and guided ten leading banks from seven countries in the adoption of the Equator Principles, a voluntary set of guidelines based on IFC policies. A revised set of principles (EP2) was launched in July 2006, reflecting IFC’s 2006 Policy and Performance Standards on Social and Environmental Sustainability. By March 2008, sixty banks representing the majority of project investments in developing countries had declared adherence to the Principles and Performance Standards. IFC’s strategy also encourages other multilateral development banks to adopt the Performance Standards in emerging markets. EBRD, for example, issued its own requirements in 2008 based on IFC Performance Standards.

Table 2 IFC Performance Standards	
<ul style="list-style-type: none"> • Social and Environmental Assessment and Management System • Labor and Working Conditions • Pollution Prevention and Abatement • Community Health, Safety and Security • Land Acquisition and Involuntary Resettlement 	<ul style="list-style-type: none"> • Biodiversity Conservation and Sustainable Natural Resource Management • Indigenous Peoples • Cultural Heritage

7. Since its inception in fiscal 1990, MIGA used World Bank safeguard policies to assess its projects and used IFC staff for the environmental review of its projects. MIGA hired its first environmental specialist in 1997, and soon thereafter, the Board approved its Environmental Assessment and Disclosure Policies (1999). In 2002, MIGA adopted—on an interim basis—its own versions of the issue-specific policies, adapted to its business. MIGA adopted a new Policy on Social and Environmental Sustainability and Performance Standards in October 2007, which are almost identical to IFC’s policy and standards of 2006. These new policy and standards superseded MIGA’s 1999 policies and the intention was to harmonize MIGA and IFC policies and standards to the fullest extent possible. They require certain MIGA clients to undertake a baseline assessment and periodic monitoring of impacts on local communities for projects where such impacts

are expected to be significant. For the first time, the policies also covered the environmental performance of MIGA's financial sector projects².

8. The WBG classifies proposed projects into one of four categories (A, B, C³, and FI or Financial Intermediary⁴) depending on the significance and sensitivity of potential environmental impacts, the scale of the project, as well as the nature and magnitude of potential safeguard impacts. The client is responsible for the implementation of safeguards under the guidance of the WBG. Among IBRD/IDA projects approved during 1999-2008, the shares for each category were: A (10%); B (50%); C (36%); FI (4%)⁵. For IFC, the figures (for the period 1999-2008 covering 2,886 projects) were: A (3%); B (42%); C (23%); FI (27%). The high proportion of FI projects in the IFC portfolio compared with the WB suggests that IFC's FI projects deserve a closer look in this study.

9. The Quality Assurance and Compliance Unit (QACU) in the Operations Policy and Country Services (OPCS) network⁶ co-ordinates IBRD/IDA's efforts to promote effective implementation of safeguard policies in Bank-supported operations. There is also an Inspection Panel, an independent body for the benefit of people who believe they have been harmed or may be harmed by IBRD/IDA projects. The panel gives such persons direct access to the World Bank's Board of Executive Directors.

10. For IFC and MIGA the CAO oversees project-level audits of the social and environmental performance of IFC and MIGA to ensure compliance with policies, standards, guidelines, procedures, and conditions for IFC/MIGA involvement. In its advisory role CAO has reviewed IFC's progress reports on implementation of the safeguard policy framework. The CAO's most important and resource intensive role is as ombudsman, mediating and seeking to resolve disputes on environmental and social issues raised by local stakeholders.

RATIONALE

11. Over the last ten years several issues have arisen which motivate the proposed evaluation:

- (a) Stakeholders: Civil society, donor countries and NGOs continue to raise concerns about the interpretation, application, and effectiveness of safeguard policies⁷. On

2. MIGA also requires compliance with EHS Guidelines (as prepared by IFC), linked to implementation of applicable Performance Standards, as well as compliance with the relevant IFC Industry and Sector Guidelines, whether they are those of the host country or MIGA.

3. Category A projects are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented; category B projects can have potentially adverse environmental impacts; category C are likely to have minimal or no adverse impacts

4. Commercial banks and other private sector financial institutions

5. World Bank database

6. QACU was located in the Environmentally and Socially Sustainable Vice Presidency until 2006; now it is located in the OPCS network (OPCQC)

7. For example, Oxfam International www.oxfam.org/en/policy

the other hand, client countries demand greater flexibility to suit local conditions and capacity⁸. In response to such stakeholder concerns, the Bank is implementing a three-year second phase of the pilot⁹ program for expanding the use of country systems in implementing its safeguard policies, and the impact of this effort has not yet been independently evaluated.

- (b) WBG management and task teams: Initial discussions with operational staff have identified a need for the WBG to clarify the optimum balance between safeguard requirements and business imperatives. It will thus be informative to study how the costs due to sustainability requirements are currently weighed against value-added in risk mitigation, providing a “stamp of approval” for the client,¹⁰ and/or avoiding or reducing well-understood negative impacts known to be associated with a particular type of operation. Moreover, for IBRD and IDA there is a need to establish whether the current operational policies are fully relevant to today’s issues, experiences and challenges, as circumstances may now differ from when the policies were first developed. Since these policies may also be interpreted differently in different regions, this aspect should also be addressed.
- (c) IFC/MIGA’s performance standards: IFC/MIGA’s adoption of performance standards (including use through trust funds) and their rapid adoption by Equator Principle Financial Institutions, EBRD and other financiers investing in developing countries represent a new development since OD 4.01 (1997). The impact of this development needs to be examined and taken into account in future efforts to develop common principles for environmental assessments and other environmental procedures by IFIs¹¹.
- (d) Renewed emphasis on infrastructure: In terms of IBRD/IDA lending and IFC investment priorities, there is an increasing emphasis on assistance for large scale infrastructure, hydropower, extractive industries and the forestry sector which are the most safeguards-intensive of all areas supported by the WBG, and can benefit from an examination of the experience so far.
- (e) Institutional changes in the WBG: The merger of Infrastructure (INF) with the Environmentally and Socially Sustainable Development (ESSD) into a new Sustainable Development Network (SDN), and transfer of QACU from ESSD to the OPCS Vice-Presidency in 2006 raise some questions as to the impact of these organizational changes on enforcement and oversight of the Bank’s safeguards system.

8. World Bank external website: “Expanding the use of Country Systems in Bank-supported Operations”

9. “Use of Country Systems in Bank-Supported Operations” Board Paper, January 2008.

10. Clients view IFC’s environmental and social expertise and inputs primarily as helpful rather than a requirement; the 2007 Client Survey revealed the highest score in the seven years when the question on importance of IFC’s sustainability stamp of approval was asked in the surveys. This was true with 75% and 80% of loan and equity clients respectively.

11. See for example “Rome Declaration on Harmonization, Rome, Italy, February 25, 2003” on “effort to harmonize the operational policies, procedures, and practices of our institutions [IFIs]” and “A Common Framework For Environmental Assessment, A Good Practice Note, Multilateral Financial Institutions Working Group on Environment February 28, 2005”.

- (f) No previous WBG-wide comprehensive evaluations of Bank's safeguard policies. There has not been a comprehensive evaluation of the Bank's safeguard policies⁷² since their first formulation in 1989. IFC's progress report on the first 18 months of the application of performance standards was reviewed by CAO in December 2007.

12. With the above issues in mind, the proposed evaluation will carry out an in-depth and forward-looking analysis of the effectiveness of WBG and clients' safeguard policy frameworks, the roll out of IFC's and MIGA's performance standards, as well the emerging experience of the Bank's pilots in the use of country systems. Issues such as internal quality controls, WBG competitiveness, and the extent of client ownership will also be addressed.

13. The evaluation is part of a medium to long term IEG program to systematically explore the WBG role and effectiveness in the environmental and social aspects of development work. In FY08, IEG presented to CODE a report entitled "Environmental Sustainability: An Evaluation of WBG Support", which looked at the effectiveness of WBG support to the environment from 1990 to 2007. This study will build on the work relevant to safeguards and standards undertaken in the Environmental Sustainability Evaluation and refine the findings further. In 2008, IEG also launched a series of studies on WBG experience in the area of climate change with a report on WBG involvement with key win-win policies in the energy sector. The second phase of this work will look at project level experience of the WBG in promoting technologies for renewable energy or energy efficiency including findings from a parallel study on forestry. The final phase will examine adaptation to climate change.

SCOPE

14. The study will cover safeguards and standards issues across the entire WBG and cover the period from FY99 (the time of approval of the current safeguards policies) through FY08. Evaluation of IFC's policies, procedures and projects will be divided according to whether they fall within IFC's pre or post 2006 safeguard policy frameworks. Since IFC projects approved after April 2006 and MIGA projects for which applications were received after October 1, 2007, using the new safeguard policy framework are not yet mature for ex-post evaluation of environmental and social effects—possible only from 2011 onwards—this evaluation will focus on analyzing differences between the old and new safeguard policy frameworks at appraisal and during

12. The Quality Assurance Group (QAG) has used sample project assessments and surveys to study the application of safeguard policies, as part of the wider canvas of its annual Quality at Entry Assessments (QEA) and Quality of Supervision Assessments (QSA) since 1999. Three Reviews of Environmental Assessment have been prepared by the Bank's Environment Department (1993, 1997, and 2002). IEG prepared a process review of Environmental Assessments and National Environmental Action Plans in 1996. Further, some IEG sector studies (e.g. Extractive Industries (2003), Community-Driven Development; LICUS Study (2006), Development Results in Middle-Income Countries (2007), Environmental Sustainability (2008), and some Country Assistance Evaluations (CAE) have included background papers or significant discussions on safeguard issues. At the project level, IEG Project Performance Assessment Reports (PPARs) have covered safeguard issues where relevant.

implementation. Thematically, the study is linked to IEG's recent and ongoing evaluations on environmental sustainability, climate change and forestry.

15. The evaluation will be carried out jointly by staff from IEGWB, IEG-IFC and IEG-MIGA; team members will review results both within and across the three organizations. While ensuring the independence of IEG's evaluation, the study will apply an interactive and collaborative approach with the appropriate WB central units and operational regions as well as IFC and MIGA operational departments to ensure the approach is methodologically sound and that all available data can be accessed. Workshops and structured interviews will be held with appropriate operational staff.

2. Overarching Questions and Issues

OVERARCHING QUESTIONS

16. *The overarching evaluative questions are:* How effective has the safeguard policy framework of the WBG been in preventing and mitigating adverse environmental and social impacts? What has been its impact on client capacity? What are the benefits as well as costs of safeguards, and how might the benefits be strengthened and costs reduced going forward?

17. Four supplementary questions have been derived from this main question:

- i. How has the WBG safeguard policy framework evolved from 1999 to 2008?
 - What have been the main drivers and changes to introduce IFC 2006 E&S Policy and Performance Standards? How have IBRD/IDA safeguards evolved in this time frame?
 - What are the coverage and main differences between the WB, IFC and MIGA's current safeguard policy frameworks?
 - What are the main features and differences of other IFIs' safeguard policies compared with WBG's?
- ii. How well have the safeguards been complied with?
 - To what extent have the safeguard policy frameworks and their implementation been effective in ensuring that each project meets WBG safeguard policy objectives?
 - Have the WBG safeguard policy frameworks been implemented consistently by the respective organizations?
 - Are the responsibilities for implementing the safeguard policy frameworks clearly stated?
 - To what extent have WBG internal capacity and mainstreaming contributed to implementation of the safeguard policy frameworks during project preparation and implementation?
 - To what extent do countries/clients have sufficient capacity to implement the WBG safeguard policy frameworks and how has WBG analyzed and addressed the matter?

- Has the monitoring and evaluation of the implementation of the safeguard frameworks been effective in the WBG?
- iii. What have been the effects of the safeguard policies and standards of the three WBG institutions?
- To what extent has compliance with safeguards policies led to improved environmental and social performance and impacts at the project and/or sector level?
 - Have the current IFC/MIGA Policy and Performance Standards led to improved environmental and social appraisal and supervision or not compared with the approach used prior to 2006 or 2007 for IFC and MIGA, respectively?
 - To what extent have WB safeguard policies and IFC Performance Standards helped improve environmental and social policy frameworks of other institutions that have adopted them, particularly the Equator Principle Financial Institutions and other IFIs?
- iv. What have been the benefits and costs to the WBG and its clients of having the safeguards?
- To what extent have the WB's safeguards policies or other Bank assistance helped strengthen the countries' own capacities for safeguards, and use of country safeguards systems? What are the financial benefits and costs to the clients of having a 'stamp of approval'? What actions were triggered by safeguard policies and what were their benefits and costs? Would the actions have been triggered without WBG intervention/safeguard policies? How do Category A and B projects compare?
 - What are other benefits and costs to the countries/clients, in terms of project design, links to other projects, diversion of activities to other sources of finance, and risk management?
 - What are the financial benefits and costs to WBG for developing and implementing the safeguard policy framework?
 - Looking forward, is there a need to improve efficiency (costs, timeliness, integration) of safeguard policy frameworks as well as strengthen benefits?

18. The methodological section below (paragraphs 19-23) explains the approach that will be used to answer the questions posed above and to narrow down the scope of the review relating to questions ii) to iv), depending on the information available from the three institutions.

METHODOLOGY

19. The methodology to evaluate these questions is described in more detail below and is shown for supplementary questions in tabular form in Annex 2. Most steps are sequential. The portfolio review will establish what information is available internally within the WBG, and then the study will address the external environment to verify in the field the portfolio findings through selected case studies, PPARs, and stakeholder

discussions. Incisive questions to be put to the stakeholders will be developed as the study evolves. The ultimate test of the safeguards program concerns outcomes at the project and country levels. To this end the study will make a comparison between safeguards and performance standards in the WBG, and identify key differences. For selected types of WBG projects, an assessment will be made of the costs and impacts associated with these differences and through case studies of WBG supported projects compared with counterfactual projects funded from other sources. Compliance analysis will focus on work quality in environmental due diligence to identify applicable safeguard policies, performance standards and EHS guidelines, the establishment of clear E&S objectives and performance indicators, and appropriate project supervision.

Portfolio Review:

20. To the extent possible, a common methodology for evaluating IBRD/IDA, IFC and MIGA projects will be developed and used. The evaluation team will develop a matrix on compliance with key safeguard policy requirements during the project cycle using selected evaluative questions. The importance of good design will also be assessed. In general, a stratified sample of projects will be selected for each of the three portfolios, for projects approved during the period FY99-08. The samples will be stratified based on the significance of the expected environmental and social impacts (as indicated by the environmental categorization of the project). The initial findings of the portfolio review will be compared with those of earlier evaluations and quasi-evaluations,¹³ and differences, if any, will be identified and discussed.

21. For the IBRD/IDA portfolio, the evaluation will review the key appraisal and supervision documentation, including Integrated Safeguards Data Sheets (ISDS) for all projects approved during FY99-08 to uncover trends within and across sectors and regions. Information on safeguards will be extracted from all Implementation Status Reports, Implementation Completion Reports and Project Performance Assessment Reports as available for all projects in the review period (see also Annex 2 for link between questions and methodological tasks). Based on the methodology used in IEG's extractive industries evaluation, a stratified random sample of projects will be reviewed (see also paragraph 27) in respect of the quality, applicability, and usage of Environmental Impact Assessments (EIAs), Environmental Management Plans (EMPs), Resettlement Action Plans (RAPs), and Indigenous Peoples Development Plans (IPDPs). The results will be compared with the safeguards content from earlier studies undertaken by IEG (such as the Extractive Industries Evaluation), QAG (e.g., Annual Quality at Entry Assessments and Quality of Supervision Assessments), and reports of the Inspection Panel concerning complaints from the public about the compliance of IBRD/IDA projects.

22. The IFC/MIGA portfolio review will parallel that of IBRD/IDA as far as possible, especially with regard to quality at appraisal and supervision. All IEG's Environmental & Social Review Reports (ESRs) linked to Expanded Project Supervision Reports

13. For example Community-driven Development Study, Extractive Industries Study, Environmental Sustainability Study and various background papers

(XPSRs) on IFC projects approved FY99-03 (the latest appraisal year for reports in XPSR08 program) and a representative sample of projects approved in FY04-08 will be reviewed. The Environmental and Social Review Documents (ESRDs) will be used as the main database to assess IFC projects that have been appraised and supervised under the 2006 Policy and Performance Standards on Social and Environmental Sustainability. The key environmental documentation include Environmental Review Summaries (ESRs), Environmental and Social Clearance Memoranda (ESCMs), environmental covenants in Legal Documents, Environmental Impact Assessments (EIAs), Environmental/Correction Action Plans (EAPs/CAPs), RAPs, Annual Monitoring Reports (AMRs), Annual Environmental Performance Reports (AEPRs) and their reviews, various project supervision documents and CAO documentation. For MIGA, attention will be given to all ex post project evaluations and quality at entry assessments of a sample of guarantee projects insured during the study period. The findings will be compared with those of earlier studies undertaken by the CAO (Reports and reviews on the implementation of IFC Performance Standards and project-level audits, advisory and complaint reports), and Internal Audit reports on IFC Environment and Social Development Department.

Literature Survey:

23. A survey of key WBG and non-WBG documents addressing safeguard issues will be carried out, covering the following document categories beginning from FY98:

- *WBG documents:* Research and publications (including the Environment Department's Environmental Assessment Reviews, publications, external evaluations and newsletters – around 150 documents/papers/newsletters) that addressed safeguard issues between 1998 and 2006. In addition, relevant work will be reviewed on the usefulness of indicators for measuring outcomes of *inter alia* environmental mitigations and resettlement initiatives. Background papers on safeguards from previous IEG studies (there are about 15 such studies) will also be perused (such as Extractive Industries, Community-Driven Development, Low-Income Countries under Stress, Middle Income Countries Study, Environmental Sustainability Study¹⁴; Water and Sanitation Study) as well as relevant Country Assistance Evaluations (CAE);
- *Non-WBG Documents:* In preparation for discussions with IFIs the safeguard policies and procedures of the main multilateral and bilateral institutions will be mapped and compared with those of the WBG. Significant publications and research output from outside the Bank directly relevant to the conduct of safeguard policies will be studied (this is estimated from a test analysis to be in the order of 50-75 publications/papers). One example of interest would be papers that give a better insight of the impacts of various mitigation measures.

14. Although this environmental study had a section on safeguards, it did not analyze WBG safeguards experience in depth, stating that this was to be covered in a future IEG evaluation (the subject of this Approach Paper).

Internal Focus Groups:

24. Focus group meetings (entry workshops) will be convened in the WBG's Washington DC headquarters (HQ) bringing together Regional Safeguards Coordinators, IFC Environmental Specialists, MIGA Environmental and Social staff, and representative task managers from the HQ and the regions through video-conference link-up, where necessary. These meetings, supplemented by a number of structured interviews, will be used to obtain a reality check of current experience and thinking on safeguard policies and their implementation.

Discussions with IFIs:

25. Visits will be made to other multilateral, bilateral and private sector institutions to elicit their opinions, advice and experience concerning safeguard policy frameworks and practices. Evaluation reports, policy documents, and any other relevant information obtained, will also be reviewed and the findings will be presented as a background document.

In-depth Project Performance Assessments,

26. About 15 PPARs undertaken in FY09-10 across a range of sectors will include an analysis of safeguard issues. In addition some 8-10 PPARs will be purposefully selected for projects with substantial safeguard issues. Each of these assessments will contain a specific safeguards section. The PPARs will be selected to ensure a reasonable geographical spread across all relevant sectors, and also to ensure that the full spectrum of safeguard types is covered.

Project Case Studies and Stakeholder Interviews:

27. A random sample of completed projects will be used as a basis for the initial selection of Bank project desk case studies. These will be screened under the portfolio review for process compliance and then a stratified sample will be chosen for field visits once the stakeholder questions have been clarified; the projects chosen will be stratified according to region, sector and safeguard type. Similarly, a representative sample of IFC and MIGA projects will be used for IFC/MIGA case studies. In addition the team will look at the more high impact, (i.e. high success or high failure) projects, since such extreme projects attract considerable attention and their impact may be controversial or have positive or negative reputational implications. The case studies will consist of a combination of short desk studies, supplemented by more detailed in-country visits and stakeholder interviews (e.g. with government entities, project-affected persons, NGO's, project managers and other interested parties) within the envelope of time and budget constraints. Analysis of costs and benefits of safeguard policy frameworks will be conducted using multiple approaches; client surveys, case studies, stakeholder interviews and analyzing WBG cost structure. Given the strongly decentralized project management responsibilities in the Bank, these discussions will also draw on inputs and experience from country-based project staff and management as well as local consultants to provide additional material and to widen the stakeholder coverage. Comparisons between selected subsectors will be made to the extent possible.

Study of Country Systems Pilot:

28. Up to five of the countries involved in the Country Systems Pilot will be visited, the interim progress reports will be reviewed and discussions held with stakeholders about the effectiveness of the pilot in respect of safeguards in this concept. The findings will be summarized in a background paper.

Website and Internet Discussion Forum:

29. A website will be maintained during the study implementation and dissemination period. There will be an opportunity for interested parties to post their views on the site for consideration by the task team.

Peer Review and Advisory Panel:

30. The draft report and background papers will be peer reviewed. An international advisory panel will also be established to advise IEG management and the task team on the evaluation.

3. Timetable and Budget

TIMETABLE

31. The following timeline for the Safeguards Evaluation is proposed:

Table 3: Time line for safeguards evaluation

Activity/Phase	Dates
Approach Paper to CODE	February 2009
Draft Report to WB/IFC/MIGA Managements for comments	October 2009
Draft Report to CODE	December 2009

RESOURCES

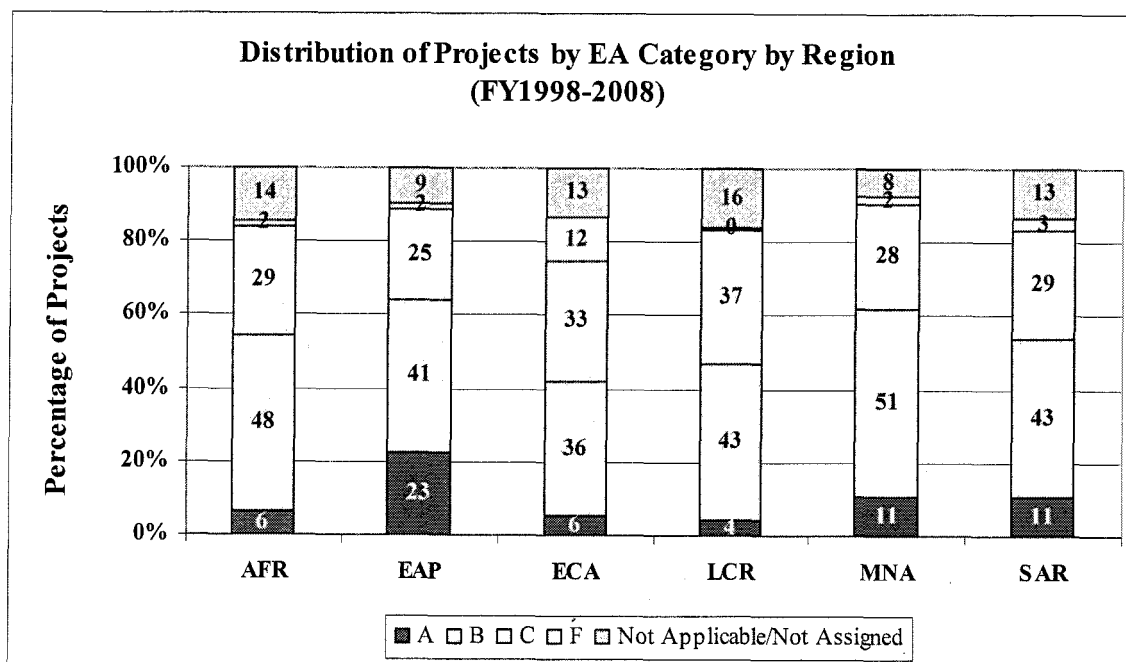
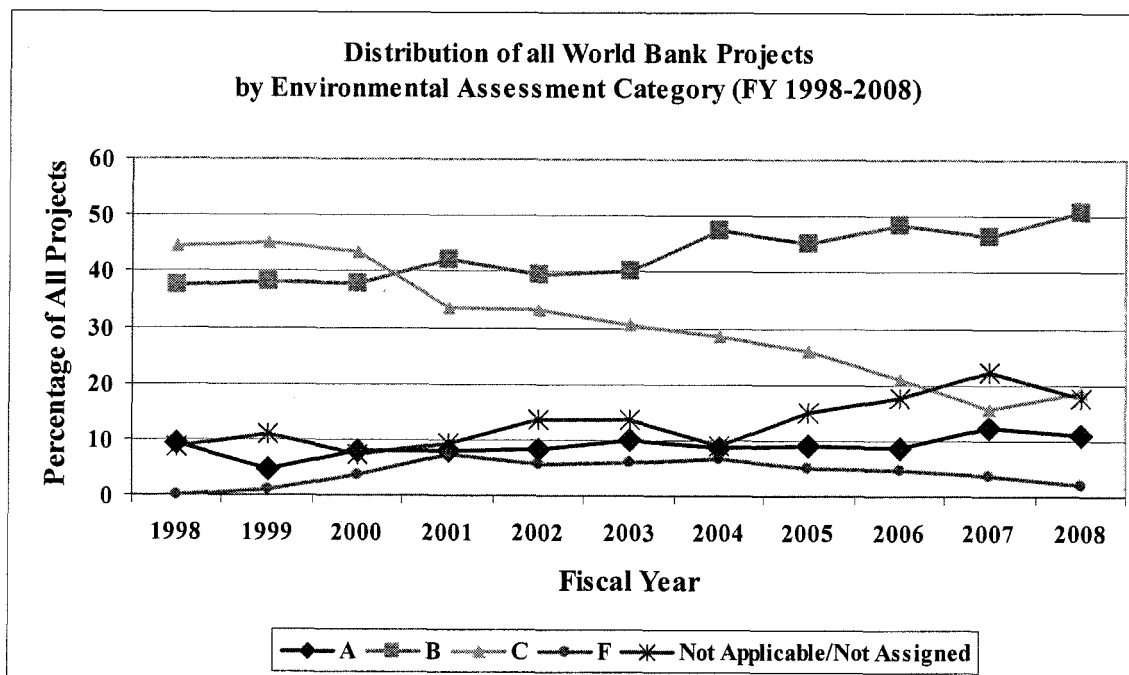
32. The following team is to be assembled:

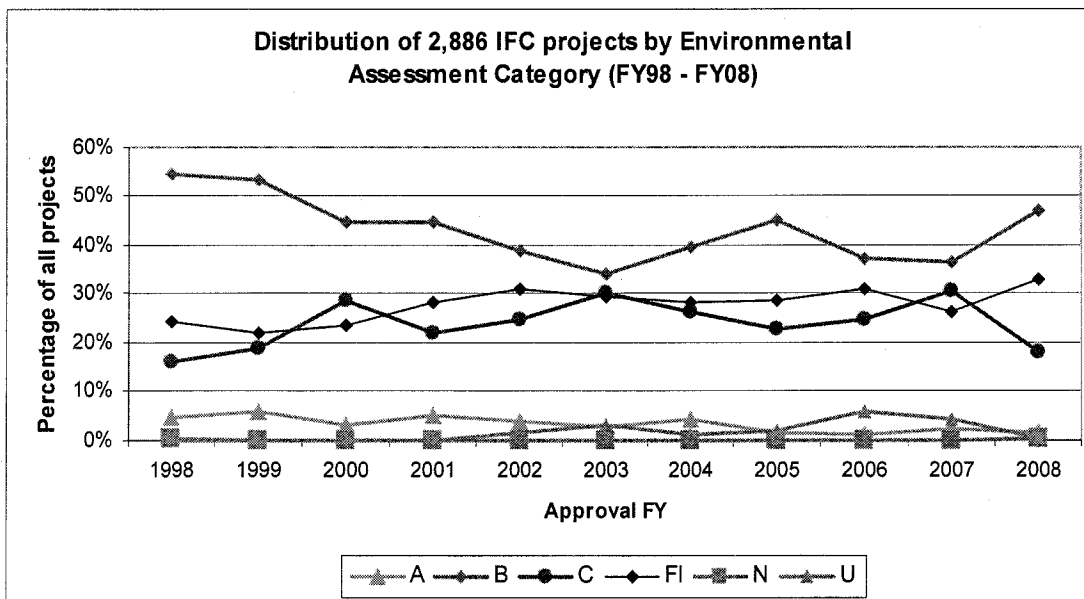
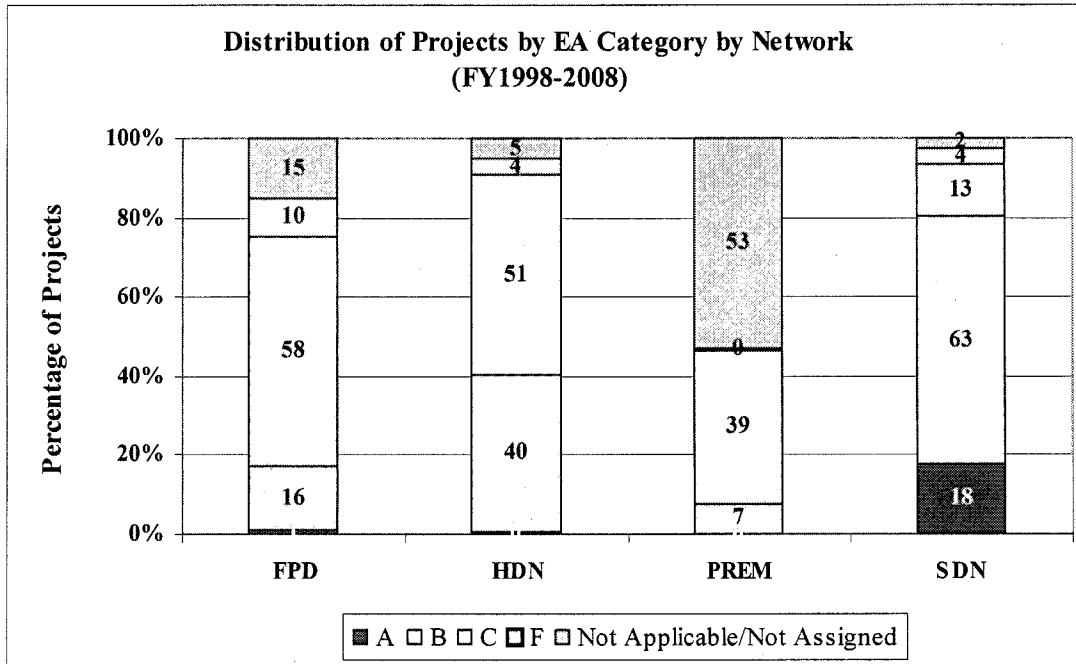
Peter Freeman	Task Manager IEG-WB and coordinator
Stoyan Tenev	Head, Macro Unit IEG-IFC
Jouni Eerikainen	Co-Task Manager IEG-IFC
Ethel Tarazona	Co-Task Manager IEG-MIGA
Stephan Wegner	Sr. Evaluation Officer IEG-MIGA
Richard Worden	Sr. Environment Specialist IEGSE
Ramachandra Jammi	Evaluation Analyst IEGSE
H. Ade Freeman	Principal Evaluation Officer IEG-IFC
Consultants/Research Assistants	as required

33. Overall study costs combining the costs for IEG/WB, IFC and MIGA are estimated at \$1,000,000. The IBRD/IDA portion is estimated at \$650,000 with \$150,000 to be financed from Trust Funds. IFC/MIGA costs are estimated at \$374,000. Website, contingency and dissemination costs are excluded.

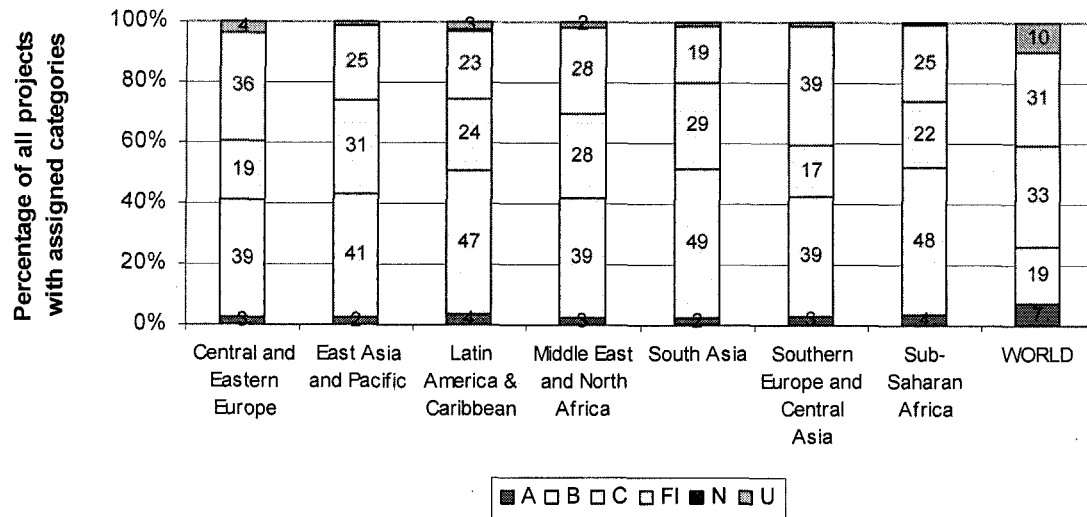
ANNEX 1

Distribution of IBRD/IDA Projects by EA Category – by Approval FY, Region, and Network





Distribution of 2,886 IFC Projects by Environmental Assessment Category and by Region (FY98 - FY08)



Evaluation Questions/ Sub-Questions

		P/Folio Review	Lit. Survey	Internal Focus Group	PPARs (IBRD & IDA)	Disc. with IFIs	Project/ Sector Case Studies	S/Holder Int'views Focus Gr	Study of Country Systems Pilot	Web Site
1	What have been the main drivers and changes to introduce IFC 2006 E&S Policy and Performance Standards? How have they since evolved?		x	x						
2	What is the coverage and main differences between the WB, IFC and MIGA's current safeguard policy frameworks?		x	x						
3	What are the main features and differences of other IFI safeguards policies compared with WBGs?		x	x		x	x	x		x
4	To what extent have the safeguard policy frameworks and their implementation been effective in ensuring that each project meets WBG safeguard policy objectives?	x	x	x	x		x	x		x
5	Have WBG safeguard policy frameworks been implemented consistently?	x	x	x	x		x	x	x	
6	Are the responsibilities for implementing the safeguard policy framework clearly stated?	x	x	x	x		x	x		
7	To what extent has WBG internal capacity and mainstreaming contributed to implementation of the safeguard policy frameworks?	x	x	x	x		x	x		
8	Has the M&E of the implementation of the safeguard frameworks been effective in the WBG?	x	x		x		x			
9	To what extent do countries/clients have sufficient capacity to implement the WBG safeguard policy frameworks and how has WBG analyzed and addressed this matter?	x	x	x	x		x	x	x	
10	To what extent has compliance with safeguards policies led to improved E&SI performance and impacts at the project and/or, sector level?	x	x		x		x	x		x
11	To what extent have the WBG's safeguards policies helped strengthen the countries' own capacities for safeguards, and use of country safeguards systems?	x		x	x		x	x	x	x
12	To what extent have the current IFC/MIGA Policy and Performance Standards led to improved environmental and social appraisal and supervision or not compared with the approach used prior to 2006 (IFC) and 2007 (MIGA) respectively?	x		x	x		x	x		
13	To what extent have IFC Performance Standards helped improve environmental and social policy frameworks of other institutions that have adopted them, particularly Equator Principle Financial Institutions and other IFIs?					x		x		x
14	What are financial costs and benefits to the clients of having a stamp of approval? What actions are triggered by safeguard policies and what were their benefits and costs How do Category A and B projects compare?			x	x		x	x	x	
15	What are other benefits and costs to the countries/clients, in terms of project design, links to other projects, diversion of activities to other sources of finance and risk management?	x		x	x		x	x	x	
16	What are the financial benefits and costs to the WBG for developing and implementing the safeguard policy framework?	x		x	x		x	x	x	
17	Looking forward, is there a need to improve efficiency (costs, timeliness, integration) of safeguard policy frameworks as well as strengthen benefits?			x		x		x	x	