THE ENVIRONMENT & SOCIAL FRAMEWORK IN PRACTICE

October 2025

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STRENGTHENING CLIENT CAPACITY FOR IMPACT

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LEARNING OBJECTIVES

After the session, participants will be able to:

- ✓ Understand the ESF requirements that need to be included into project design and implementation
- ✓ Recognize the roles and responsibilities of the Client in applying the ESF to project implementation
- ✓ Identify common recurring issues and challenges that demand management attention

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SESSION OUTLINE

1.Environmental & Social Framework Overview

2.Selected E&S Standards-key requirements and challenges

3.ESF Roles and Responsibilities and HEIS

4.Grievance Mechanism

5. Discussion-Recurring E&S issues and challenges

I. WORLD BANK ENVIRONMENTAL AND SOCIAL FRAMEWORK OVERVIEW

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ESF RATIONALE AND OBJECTIVES

Projects that harm people or the environment are not consistent with the World Bank's vision of development

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Projects should consider opportunities to promote improved environmental or social conditions, as well as avoiding harm

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Meaningful stakeholder engagement fosters communication, project acceptance and achievement of project objectives

Clients apply the10 Standards within the ESF; while conducting necessary due diligence, the Bank:

Accepts use of Client systems when consistent with ESF standards and objectives

Promotes measures to strengthen Client capacity and country E&S risk management systems

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WHY THE ESF?

Lack of E&S considerations in project design & implementations leads to environmental and social risks

Poor stakeholder engagement significantly risks project success

Helps to comply with the regulatory requirements

Avoidance of reputational risks

Avoidance of the cost of non-compliance (project stoppage, unplanned costs)

Provides a basis for comprehensive and integrative management of E&S issues

IMPLICATIONS OF RISKS AND IMPACTS

Risks

- Something that may occur - when, where and to what extent cannot be fully determined in advance
- Often are contextual – independent of, and beyond the control of, the project itself
- Cannot be solved or eliminated; it must be managed over time

Impacts

- A risk that has been realized, or something that is virtually certain to occur because of the project
- Timing, location and extent is largely under the control of the project, making detailed mitigation planning much more feasible

THE ESF AS A RISK MANAGEMENT SYSTEM

Assesses the significance of risks and devises proportionate measures to address them (**proportionality**)

Determines appropriate timing and sequencing of actions to meet project requirements (**flexibility**)

Adjusts implementation arrangements to meet changing project conditions (**adaptive management**)

Project contexts vary widely - a uniform, one-size-fits-all approach to E&S risk management is **not appropriate**

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ESF: KEY CHARACTERISTICS

Promotes adaptability, flexibility and proportionality in project preparation and implementation

Requires stakeholder engagement, transparency, accountability, equitability and inclusion

Promotes client capacity, institutional strengthening, and country ownership

Promotes policy consolidation and harmonization among donors and financiers

TEN ENVIRONMENTAL AND SOCIAL STANDARDS

ESS1

Assessment and Management of Environmental and Social Risks and Impacts (umbrella)

ESS2

Labor and Working Conditions

ESS3

Resource Efficiency and Pollution Prevention and Management

ESS4

Community Health and Safety

ESS5

Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS6

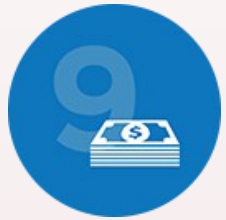
Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS7

Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

ESS8

Cultural Heritage



ESS9

Financial Intermediaries

ESS10

Stakeholder Engagement and Information Disclosure (cross cutting)

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APPLYING THE TEN STANDARDS IN A PROJECT CONTEXT

ESS1: Assessment and Management of Environmental and Social Risks and Impacts
(The 'umbrella' standard containing core principles of analysis and management of risk and opportunity)

ESS2 Labor	**ESS3** Resources and Pollution	**ESS4** Health and Safety	**ESS5** Land and Resettlement
ESS6 Biodiversity	**ESS7** Indigenous Peoples	**ESS8** Cultural Heritage	**ESS9** Fis (Financial Intermediaries)

ESS10: Stakeholder Engagement and Information Disclosure
(Cross-cutting standard ensuring meaningful engagement, transparency, and access to remedy)

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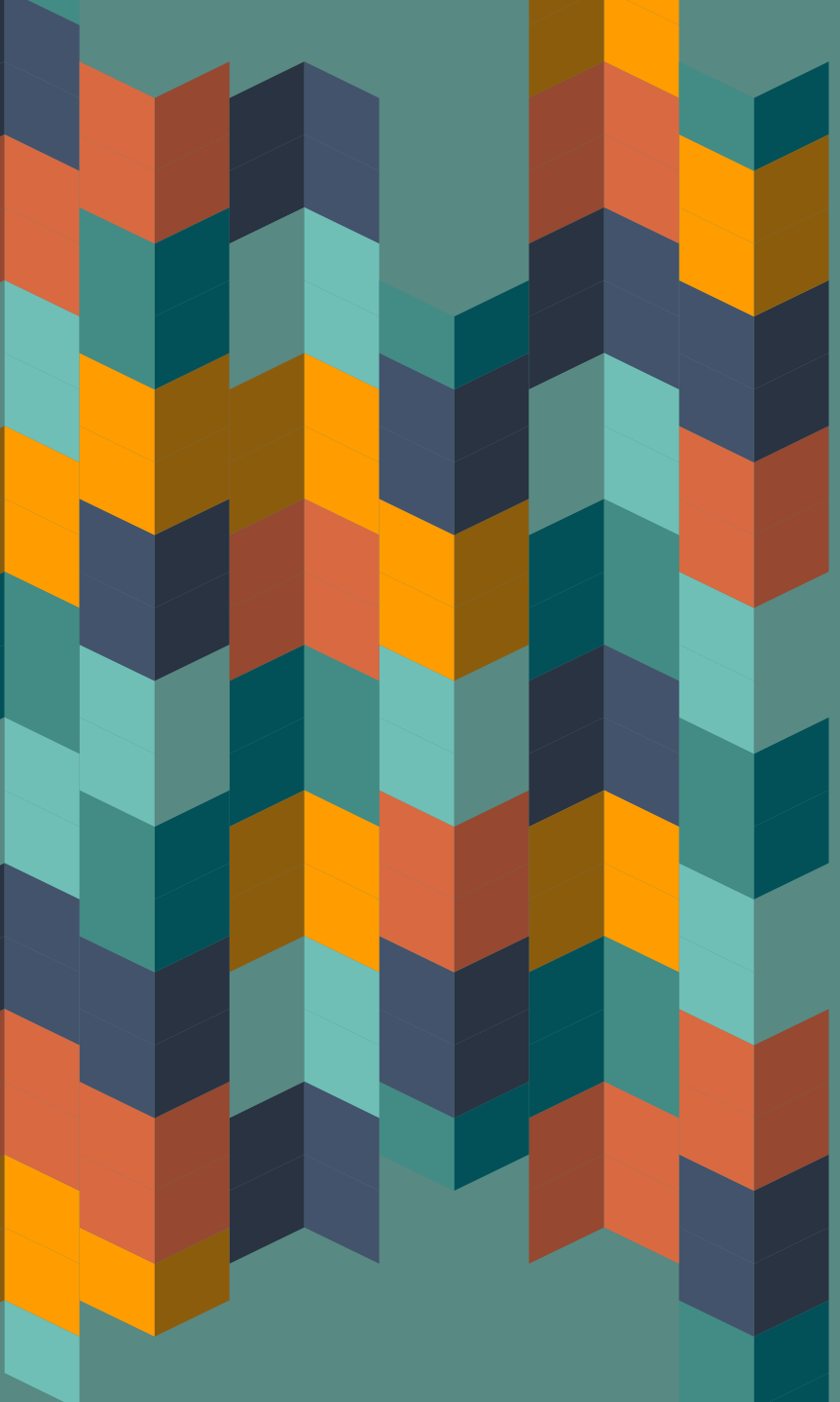

Which of the standards are most relevant to all projects?

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II. SELECTED ENVIRONMENTAL AND SOCIAL STANDARDS-KEY REQUIREMENTS AND CHALLENGES

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THE 10 STANDARDS: OBJECTIVES AND REQUIREMENTS

Each of the 10 E&S Standards in the ESF states objectives and requirements. This presentation focuses primarily upon ESS1, ESS2 and ESS10, because they are relevant for **all** projects.

The specific **objectives** indicate goals or outcomes relating to each of the standards. Objectives also provide guideposts for application of judgment (e.g., judgments should support achievement of objectives).

The specified **requirements** summarize the type of actions the Client may need to take to achieve the objectives of a particular standard. The nature and extent of action depends on the project context (e.g., proportionality).

ESS1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

- Effective E&S assessment and management
- Employ a risk mitigation hierarchy
- Anticipate and avoid
- Minimize or reduce
- Compensate or offset
- Avoid disproportionate adverse impacts on, or exclusion of, disadvantaged or vulnerable groups
- Use national frameworks as appropriate
- Promote improvement in E&S risk management

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ESS1: REQUIREMENTS FOR CLIENT

Assess significance of E&S risks and impacts and devise appropriate measures to address them in project design and management arrangements

Undertake stakeholder engagement throughout project preparation and implementation

Prepare an Environmental and Social Commitment Plan summarizing key actions and responsibilities for meeting ESF requirements

Monitor project performance and adapt management measures as necessary to achieve ESF objectives

CORE OBLIGATIONS:
THE ENVIRONMENT AND SOCIAL COMMITMENT PLAN (ESCP)

Key project document relating to E&S risk management and is required for all projects

Prepared by the Client and subject to Bank agreement

Summarizes required actions and timelines and assigns managerial and financial responsibilities for all 10 Standards, as relevant for the project

Referenced in the project Legal Agreement, making its implementation binding upon the Client

ESS1: KEY IMPLEMENTATION CHALLENGES

Poor project performance, including implementation delays, may occur because:

Required studies and plans that are deferred in the preparation phase cause significant delays in the implementation phase

The assessment process is superficial, failing to identify and address the most significant potential risks and impacts

Poor sequencing of required activities, or because coordination issues arise with other agencies or jurisdictions

Monitoring arrangements do not identify emerging problems when there is still time and money to address them

Project authorities lack the authority or capacity to effectively practice adaptive management

CONTRACT SPECIFICATION, MONITORING AND ENFORCEMENT

- **Annex 3 of ESS1 – The Borrower will require that all contractors engaged on the project operate in a manner consistent with the requirements of the ESSs. This requires Borrowers to manage contractors, including:**

- Checking contractors are legitimate and reliable prior to awarding the contract
- Incorporating all relevant aspects of the ESCP into tender documents
- Contractually requiring contractors to apply the ESCP and the relevant management tools, including effective noncompliance remedies
- Monitoring contractor compliance with their contractual commitments
- In the case of subcontracting, requiring contractors to have equivalent arrangements with their subcontractors

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ESS2: LABOR AND WORKING CONDITIONS

- Promote safety and health at work
- Provide fair treatment and equal opportunity
- Provide protection for all categories of project workers
- Prevent forced labor and child labor
- Support freedom of association and collective bargaining consistent with national law
- Provide means for workers to raise workplace concerns

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ESS2: REQUIREMENTS FOR CLIENT

Prepare and Implement **Labor Management Procedures**, in accordance with national law and ESS2 objectives.

As relevant for categories of workers in the project, the LMP addresses:

a) Terms and conditions of employment
b) Occupational health and safety
c) Arrangements for promoting non-discrimination and equal opportunity
d) Worker organization and collective rights
e) Avoidance of child labor and forced labor
f) Mechanism for raising and addressing worker concerns
g) Arrangements for managing contractors and primary suppliers

CORE OBLIGATIONS: LABOR AND WORKING CONDITIONS

Creating Safe and Conducive working environment and condition for project workers

Screening, Identification & management of health and safety risks for project workers

Prohibition of child and forced labor

Reporting Incidents and Accidents to the Bank within 48Hours: Preparing ESIRT

Establishing Workers' grievance mechanisms

ESS2: KEY IMPLEMENTATION CHALLENGES

Poor project performance, including implementation delays, may occur because:

Occupational Health and Safety (OHS) Issues: Lack of provision of PPE's, safety equipment, etc.

High Incident and accident (fatalities and SEA/SH cases) and lack of reporting

Contractor Management issues: Noncompliance of Contractors

Lack of enabling environment for workers freedom of association

Lack a separate grievance mechanism for worker

ESS5: LAND ACQUISITION, RESTRICTIONS ON LAND USE & INVOLUNTARY RESETTLEMENT

- Avoid involuntary resettlement and forced evictions
- Mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use
- Conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources and target livelihood restoration plans (LRPs)

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ESS5: REQUIREMENTS FOR CLIENT

Prepare Resettlement Framework: Unknown Locations

Prepare Resettlement Plan: defined locations

Provide timely compensation at full replacement cost

Improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure

Community Engagement and Grievance mechanism

ESS5: KEY IMPLEMENTATION CHALLENGES

Lack of Land-to-Land Compensation

Delay in Compensation Payment

Lack of budget for Compensation or Livelihood Restoration Plan Implementation

Lack of Functional Grievance Mechanism

Poor or weak Community Engagement / Consultations

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ESS10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE

- Establish systematic approach for constructive engagement
- Assess and consider stakeholders' views in project design
- Provide means for engagement throughout project life-cycle
- Provide for timely, understandable and accessible information disclosure
- Provide an accessible and responsive means for raising questions or complaints (GRMs)

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ESS10: REQUIREMENTS FOR CLIENT

Identify relevant stakeholders, including disadvantaged or vulnerable groups

Analyze the form and extent of involvement of stakeholders, and identify appropriate means of engagement with them

Disclose relevant project information in an appropriate manner

Operate or utilize an accessible and responsive grievance redress mechanism

Prepare and implement a Stakeholder Engagement Plan

CORE OBLIGATIONS: STAKEHOLDER ENGAGEMENT PLAN (SEP)

Satisfactory to the Bank is required for all projects; a draft SEP is a condition for project appraisal

Describes the communication system the project will employ throughout project preparation and implementation

Establishes authority, responsibility and financial arrangements for all such activities

Describes timing and methods to be used in such activities

Provides differentiated measures to promote effective engagement with differently affected groups, and for disadvantaged or vulnerable groups

ESS10: KEY IMPLEMENTATION CHALLENGES

Poor project performance, including implementation delays, may occur if stakeholder engagement activities are not meaningful:

Administrative and financial responsibility for stakeholder engagement activities are not clearly defined

Relevant information is not disclosed, or is formally disclosed in an inaccessible manner

Consultation activities do not encourage open and informed discussion, or do not factor into project plans and designs

Grievances are not managed in a timely and responsive manner

The Bank may require “third party” involvement in situations where effective stakeholder engagement is otherwise unlikely

III. ESF ROLES AND RESPONSIBILITIES AND HEIS

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CLIENT OWNERSHIP AND USE OF BORROWER SYSTEMS

"The Bank is committed to the use and development of Borrowers' frameworks to avoid unnecessary duplication of effort, build national capacity and achieve development outcomes that are materially consistent with the objectives of the Environmental and Social Framework." *(ESF Vision Statement)*

The Client, and not the World Bank, "owns" a Bank-supported project

If Client regulations and practices are "materially consistent" with ESF objectives, the Bank will increasingly rely on the Client for project preparation and implementation

In keeping with proportionality, the Bank will rely more heavily on Client systems in low-to-moderate-risk projects

ESF ROLES AND RESPONSIBILITIES

Client /PIUs

- The Client, and **not** the World Bank, "**owns**" a Bank-supported project
- E&S risk **assessment and management**
- **Integration** of E&S factors into project design and impl.
- **Monitoring and Reporting** on implementation of E&S risks
- **Stakeholder engagement and GM**
- **Establish and maintain E&S risk mgt implementation arrangement**
- Comply with the **conditions** for financing including ESCP requirements

World Bank

- **Early ES risk screening and risk classification**
- **Guidance on E&S instruments**
- **Review E&S documents**
- Providing implementation support
- **Organize ES capacity development activities**
- **rely on Client systems in low-to-moderate-risk projects**
- E&S **HEIS**

INCIDENT AND ACCIDENT MANAGEMENT AND REPORTING

Borrower

Conduct a risk hazard assessment (RHA) - ESS1

Emergency Response Plan (ERP) – ESS2

Emergency Events

- An unanticipated incident, arising from both natural and man-made hazards, typically in the form of fire, explosions, leaks or spills, which may occur for a variety of different reasons, including failure to implement operating procedures that are designed to prevent their occurrence, extreme weather or lack of early warning.
- The measures will be designed to address the emergency event in a coordinated and expeditious manner, to prevent it from injuring the health and safety of the community, and to minimize, mitigate and compensate for any impacts that may occur.

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HANDS-ON ENHANCED IMPLEMENTATION SUPPORT (HEIS)

When?

At the Borrower's request, the Bank may agree to provide ES HEIS during the project preparation or implementation stage, if the Bank determines that this support can help the Borrower achieve the development objectives and outcomes of an IPF operation.

What?

HEIS in the Environmental and Social Framework (ESF) refers to a set of targeted, practical assistance measures provided by the World Bank to help client countries effectively implement the ESF.

How?

This support is designed to address specific challenges and enhance the capacity of borrowers to manage environmental and social risks and impacts associated with their projects.

SPECIFIC CLIENT HEIS SUPPORT ACTIVITIES

Help prepare E&S documentation, including associated consultations with stakeholders

Help prepare terms of reference, and advising on selection of independent experts or consultants for E&S activities

Provide E&S capacity building support and training to implementing institutions or agencies

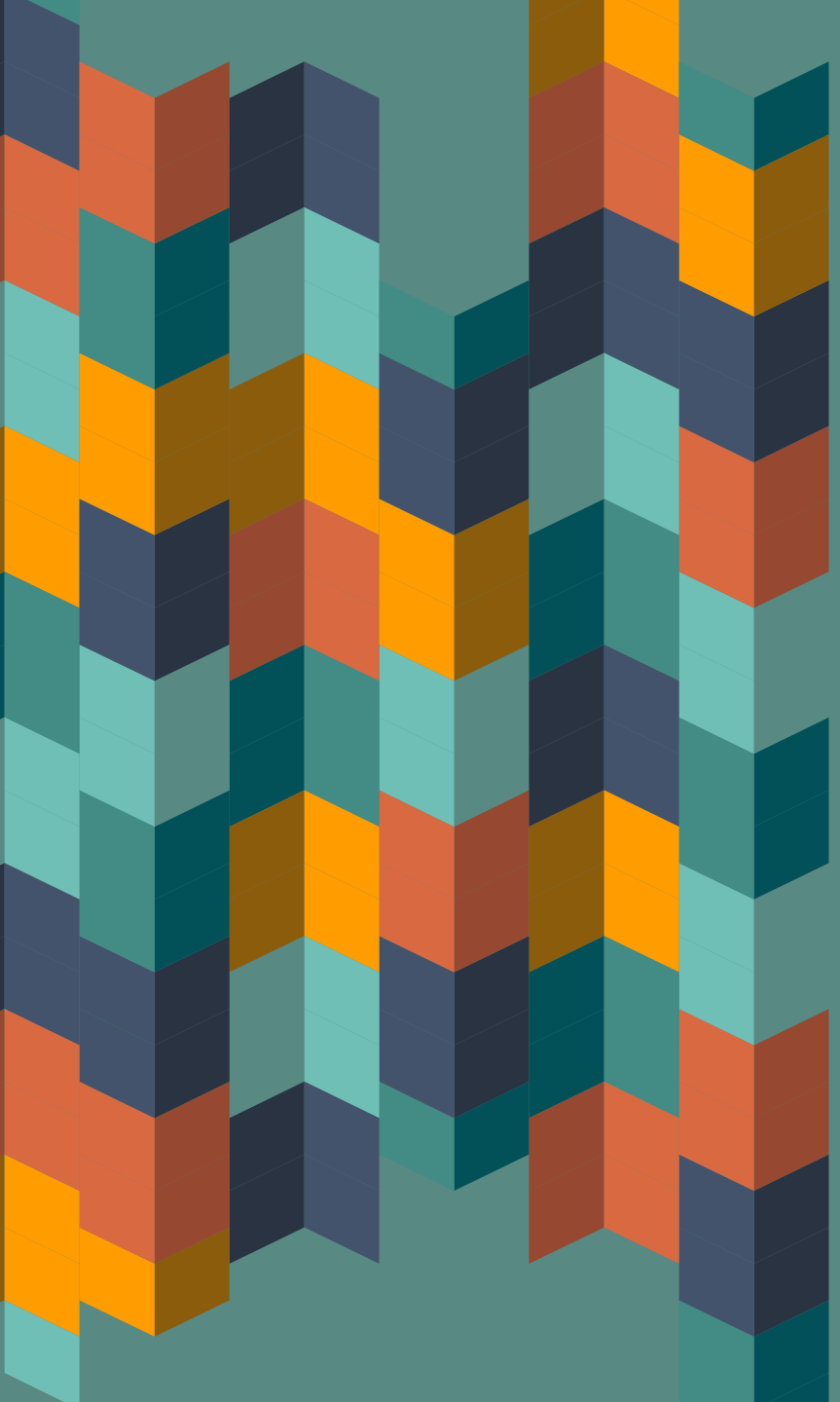
Assist in incorporating E&S issues into project design to enhance effective implementation of Projects

Assist in incorporating E&S measures into procurement processes

Support implementing E&S risk management measures, including advice on incorporation of specific E&S

Support information disclosure and stakeholder engagement processes

Supporting the Client in E&S performance monitoring and reporting



What grievance mechanisms have you used and how is it effective?

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IV. GRIEVANCE MECHANISM

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PROJECT-AFFECTED PARTIES GRIEVANCE AND ACCOUNTABILITY MECHANISMS

Project Grievance Mechanism (GM)

- Managed by **Borrower**
- Available to address grievances about project environmental and social performance
- Can use existing formal and informal grievance mechanisms, supplemented as needed

WB Grievance Redress Service (GRS)

- Managed by **World Bank**
- Corporate-level support to project-affected parties and Task Teams in addressing concerns and grievances

WB Accountability Mechanism

Dispute Resolution Service

Inspection Panel

- Reports to **World Bank Board**
- DRS: Confidential mediation and voluntary dispute resolution option
- IP: Compliance investigation

GRS AND PROJECT-LEVEL GMS

Both are part of a broader Project accountability system

GRS admissibility does not require prior GM submission, nor withdrawal of complaint from the GM

Borrowers with effective GMs regularly handle GRS cases through same GM system

Scenarios under which GRS receives complaints

- Projects without effective GMs
- Complainants are concerned about the GM's lack of response or the lengthy process
- Complainants who are dissatisfied with response of GMs escalate to GRS
- Contexts where confidentiality, fear of reprisals or trust in governments are a concern
- GRS is an added incentive for Borrowers to handle complaints effectively through GMs
- GRS cases provide valuable information for task teams to identify opportunities for strengthening GMs

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MONITORING AND REPORTING: ARE THINGS GOING ACCORDING TO PLAN?

Devising and implementing monitoring and reporting arrangements is essential to effective E&S risk management

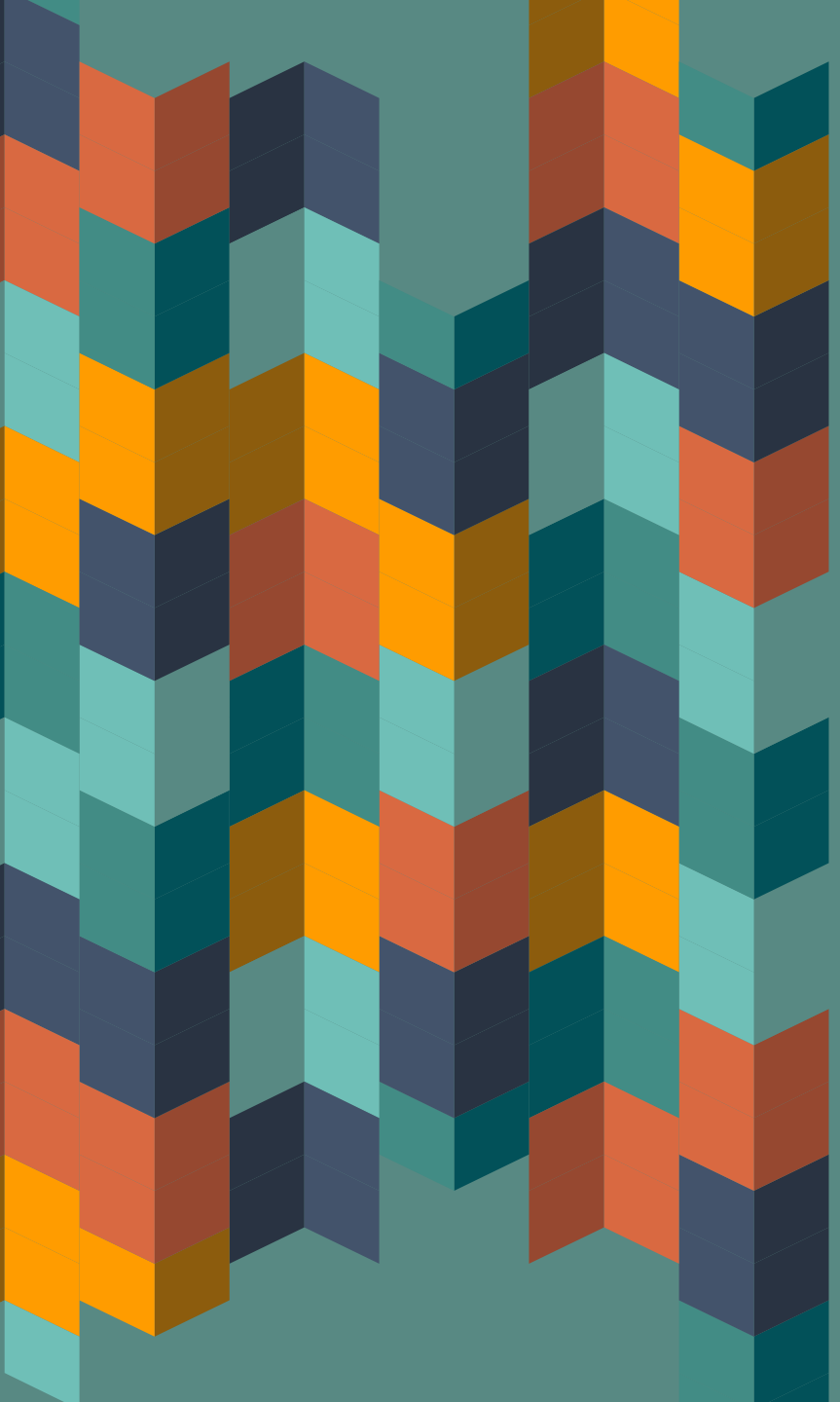
Monitoring the status of implementation enables adaptive management

Timely identification of emerging issues allows them to be managed when there is still time and money to deal with them

Monitoring processes can be a key tool for stakeholder engagement throughout the implementation stage

Client is responsible for project monitoring or reporting

Frequency and scope of monitoring and reporting requirements are specified in the ESCP or in issue-specific management plans



What's one thing you'll remember about the importance of ESF?

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What's the most challenging experience with ESF implementation in WB Project that you are leading?

What are the main recurring E&S issues and challenges?

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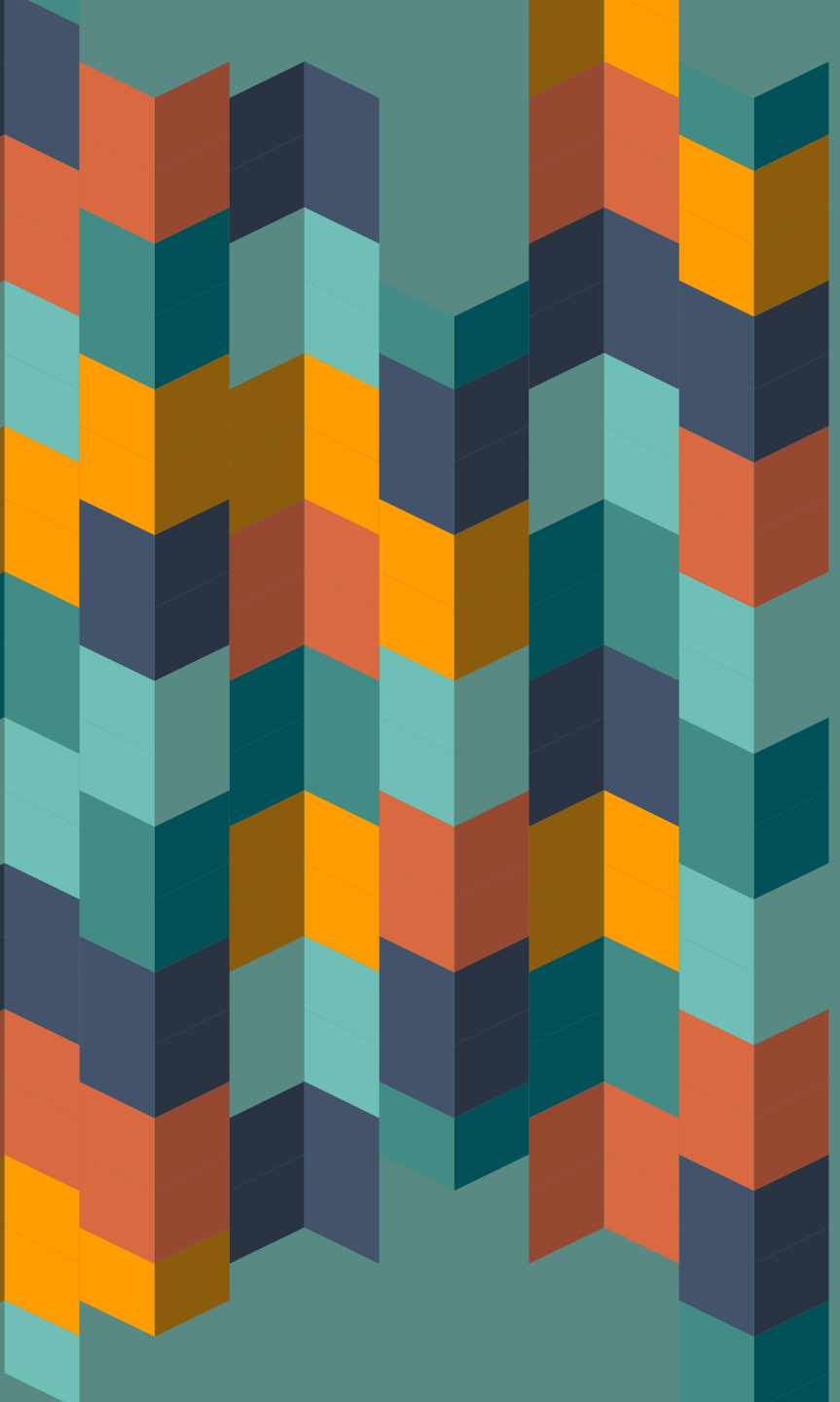

What's the most challenging experience with ESF implementation in any WB project that you're involved with?

In one word, what does environmental and social framework mean to you?

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THANK YOU!

Questions?

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