

## Ocean Partnerships for Sustainable Fisheries and Biodiversity Conservation – Models for Innovation and Reform (P128437)

### ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK

#### I. BACKGROUND

1. Recognizing the range of threats that unsustainable fishing practices represent to marine biodiversity and ecosystem integrity, the GEF approved a new Program on Global Sustainable Fisheries Management and Biodiversity Conservation in Areas Beyond National Jurisdiction-- the **ABNJ Program**-- in 2011 to be coordinated by FAO, and with the goal of promoting “efficient and sustainable management of fisheries resources and biodiversity conservation in the ABNJ, in accordance with the global targets agreed in international forums”. This would be accomplished through four components: (1) Sustainable management of tuna fisheries and biodiversity conservation in the ABNJ (FAO); (2) Sustainable fisheries management and biodiversity conservation of deep-sea ecosystems in the ABNJ (FAO/UNEP); (3) **Ocean partnerships for sustainable fisheries and biodiversity (World Bank)**, and (4) Global coordination for marine ABNJ (FAO/Global Ocean Forum).

2. This Environmental and Social Management Framework (ESMF) relates to activities financed under the third component, Ocean partnerships for sustainable fisheries and biodiversity, which is a World Bank Project. *The project’s development objective is to catalyze investment into selected transformational public-private partnerships (PPP) that mainstream the sustainable management of highly migratory stocks spanning areas within and beyond national jurisdictions.*

3. The PPP investments will be through a series **pilot project**<sup>1</sup> business plans that are to be defined by the project and which represent key outputs from the four project regions<sup>2</sup>. **Business plans**<sup>3</sup> are expected to comprise a package of proposals that (depending on context) combine transition finance (‘soft’ investments into e.g. capacity building, further analytics, consultations, etc - typically donor financed from say WB or bilaterals) and debt-equity finance (‘hard’ investment responding to the pilot investment value proposition typically sourced from a private investor or investment bank / IFC).

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<sup>1</sup> **Pilot project/Pilot** is defined here to reflect the GEF-5 call for ‘innovative transformational pilots’ that show the way forward and demonstrate cost effective ways to deliver more sustainable fisheries management and associated biodiversity conservation.

<sup>2</sup> **Four primary regions** in which subproject proposals are to be developed include: Western and Central Atlantic and Caribbean, Bay of Bengal India/Tamil Nadu, Western and Central Pacific and Eastern Pacific Ocean.

<sup>3</sup> **Business Plans** are defined here as key project outputs to be developed and fully agreed within each subproject region by respective EAs. Although no prescriptions are offered, business plans are expected to comprise a package of proposals that (depending on context) combine **transition finance** (‘soft’ investments into e.g. capacity building, further analytics, consultations, etc - typically donor financed from say WB or bilaterals) and **debt-equity finance** (‘hard’ investment responding to the pilot investment value proposition typically sourced from a private investor or investment bank / IFC)

4. The business plans will incorporate a value proposition for investment – the economic, technical, financial and political/institutional rationale needed to attract public and / or private sector investment. The business plans and associated planning processes will also inform regional and global solutions<sup>4</sup> to improved management of shared highly migratory fisheries through high impact local private sector investments.

5. Once financed and implemented, each Pilot will contribute to increasing sustainable, net economic benefits to coastal and island developing countries while enhancing ocean biodiversity conservation. However, the actual pilots will not be financed out of the Project, and are beyond its scope.

6. The BPs will incorporate a value proposition for investment – the economic, technical, financial and political/institutional rationale needed to attract public and / or private sector investment. The BPs will also include the social and environmental instruments necessary to avoid, minimize, mitigate and if necessary compensate for potential adverse impacts arising from the piloting of the four business plans.

## **II. PURPOSE AND SCOPE OF ESMF**

7. The project is global in scope and will invest in the preparation of business plans to support sustainable fisheries in up to four regions/‘seascapes’, including: the Caribbean, Eastern Pacific, Western and Central Pacific, and the Bay of Bengal. This is a Technical Assistance (TA) project, with no physical footprint. Project will finance analytical work and the preparation of business plans in each of the four seascapes mentioned above. Though these business plans will not be implemented under the Project, the investments will have a physical footprint and will generate both adverse and positive environmental and social impacts that will need to be addressed. Therefore the rationale of using the ESMF is that downstream investments of this TA project will not be identified during the project preparation.

8. Purpose of this framework is to guide Executing Agencies [as per Table 4] on the environmental and social screening and subsequent assessment of sub projects during implementation to ensure that potential adverse environmental and social impacts that may be generated as a result of each potential pilot investment are identified, and appropriate safeguard instruments are prepared to avoid, minimize, mitigate and, in such cases where there are residual impacts, offset adverse environmental and social impacts. The screening of the business plans for adverse environment and social impacts and the preparation of appropriate safeguard instruments for each plan will be guided by this Environment and Social Management Framework (ESMF). The World Bank, Project Executing Agencies (EAs) and agencies who implement the pilots have the overall responsibility for ensuring that environmental and social issues are adequately addressed within the project cycle described in the business plan, as described in Table 4. Scope of this framework includes environmental and social screening to determine sub project category, potential environmental and social issues and sub project-specific instrument. It also includes several annexes relevant to OP4.10 and OP4.12

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<sup>4</sup> Including solutions under the FAO-led Tuna Project component of the ABNJ Programme.

9. The ESMF will ensure that each business plan will put in place a robust approach to consider environmental and social risks and impacts in line with World Bank safeguard policies, and to prepare appropriate good practice safeguard instruments for the actual reform pathways identified in the final business plans. The World Bank safeguard policies are available at [www.worldbank.org/safeguards](http://www.worldbank.org/safeguards).

### III. DESCRIPTION OF THE PROJECT AND POTENTIAL DOWNSTREAM INVESTMENTS

10. The project is set within a complex array of international instruments, some legally binding, some voluntary, that have emerged over the last few decades in response to these declines and growing concerns about the need for more effective management of ocean resources. Key legally binding instruments are the 1982 United Nations Convention on the Law of the Sea (UNCLOS), the 1995 UN Fish Stocks Agreement<sup>5</sup> (UNFSA), and 1993 FAO Agreement to promote compliance with international conservation and management measures by fishing vessels on the high seas. See Section V for more details.

11. Project stakeholders include both men and women from affected communities whose livelihoods are implicated and/or who depend on migratory fisheries, the private sector (fishing industry from harvesting through to value chains / processing and investment), the public sector (national ministries, regulatory and trade promotion authorities), and international bodies including regional fishery bodies, Regional Fisheries Management Organizations (RFMOs) and Large Marine Ecosystem Programs (LMEs) with mandates that affect conservation and management of straddling and highly migratory fish stocks. The numbers and specificity of stakeholders can only be determined once the precise nature and location of the Pilot developments are determined. In all cases, stakeholders' shared commitment to reforms will be a major factor in determining Pilot locations and specific beneficiaries. Benefits are expected to accrue through stakeholder engagement in both the BP process (particularly through capacity building, training, etc.) and in downstream Pilots.

12. The Project includes three components, as follows:

13. **Component 1: Definition and development of business plans for long-term transformational pilots for sustainable fisheries in priority ocean areas.** This main component will be implemented under Grant Agreements with four regional Executing Agencies (EAs) identified during preparation (Table 1). Each regional business plan will undertake the prioritization, analysis and development of business plans for pilot projects addressing more effective management of fisheries on shared highly migratory stocks occurring within developing coastal and island states' EEZ and adjacent ABNJ. The business plans will offer the potential for relatively rapid transformation towards sustainable and responsible fisheries. In the context of this project, such transformation can be characterized as a combination of three principal 'triple bottom line' outcomes: economic efficiency, biodiversity conservation / ecosystem health, and social equity.

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<sup>5</sup> Relating to the conservation and management of straddling fish stocks and highly migratory fish stocks.

14. The design process for the business plans will have regional significance through EAs' active engagement in discussions on shared stocks management with regional stakeholders, as noted in para. above. Although at least two of the Pilot business plans are expected to attract finance by the end of the Project, such future investments in Pilots are outside of the scope of the Project even though these may occur within the Project's lifetime.

**Table 1: Component 1 Executing Agencies - Summary Focus of Pilot Design Activities**

Region	Grant (\$m)	Description
<i>Bay of Bengal India/Tamil Nadu [Sri Lank and Maldives] (Annex 3)</i>	<b>1.98</b>	<p><b>Target fisheries.</b> Small-scale tuna long-line fisheries in Bay of Bengal region (potentially other highly migratory pelagic stocks). Focus on S India, Tamil Nadu.</p> <p><b>Business case.</b> Potential to combine high value niche markets (regional and EU) based around public/private partnership on management and effective effort control.</p> <p><b>Clients.</b> Potential to work with small scale <i>Thoorthoor</i> fleet in Tamil Nadu in partnership with Bank IDA (Tamil Nadu and Puducherry <i>Coastal Disaster Risk Reduction Project</i> CDRRP and <i>Fisheries Management for Sustainable Livelihoods</i> FIMSUL) in developing a co-management pilot as business cases for future investment.</p> <p><b>Executing Agency:</b> Bay of Bengal Programme (BOBP-IGO).</p>
<i>Western and Central Pacific (Annex 4)</i>	<b>1.35</b>	<p><b>Target fisheries.</b> Tuna fisheries prosecuted mainly by distant water fishing nations under the Parties to Nauru Agreement's Vessel Day Scheme.</p> <p><b>Business case.</b> Supporting efforts by Pacific states to increase economic returns by designing and implementing targeted rights-based management reforms; potential focus on potential capitalization of a VDS fund and facility to secure a community share of tuna access revenues for fishing communities.</p> <p><b>Clients.</b> Close collaboration agreed with Bank IDA investment (Pacific Regional Oceanscape Program – PROP).</p> <p><b>Executing Agency:</b> Forum Fisheries Agency.</p>
<i>West/Central Atlantic and Caribbean (Annex 5)</i>	<b>1.75</b>	<p><b>Target fisheries.</b> Billfish – recreational and commercial small-scale fisheries.</p> <p><b>Business case.</b> Likely to revolve around institutional mechanisms to create and enforce rights for commercial / artisanal fishers to adopt catch, release and tagging systems (or non-targeting of iconic species) in exchange for financial compensation / value generation to be potentially financed by the recreational sector.</p> <p><b>Clients.</b> Potentially a consortium of private sector gamefish recreational and commercial fishing interests within a range of client states who have already expressed interest.</p> <p><b>Executing Agency:</b> Western and Central Atlantic Fisheries Commission (WECAFC).</p>
<i>Eastern Pacific Ocean and Global Think Tank (Annex 6)</i>	<b>0.68</b>	<p><b>Note:</b> this sub-project also combines Component 3 wrt Global Think Tank under which regional Eastern Pacific Ocean tuna will treated initially as a test case (details Annex 6).</p> <p><b>Target fisheries.</b> Skipjack tuna fisheries – large scale purse seine vessels fishing in this region, primarily but not limited to, those flagged to Ecuador, EU member nations and Mexico.</p> <p><b>Business case.</b> Options to be explored include (1) tradable bigeye tuna catch [and bycatch] quotas in exchange for an exemption to the IATTC annual closure; (2) trading of existing authorized (under IATTC resolution) harvest capacity (expressed as hold capacity); (3) development of potential mechanisms to convert hold</p>

		<p>capacity into tradable tonnage quota; (4) other possible collective / rights-based approaches, considering both effort and catch limit management systems..</p> <p><b>Clients.</b> Builds on existing efforts pursued by the tuna RFMO InterAmerican Tropical Tuna Commission (IATTC) and ideas being discussed by member nations, industry, observers, etc.</p> <p><b>Executing Agency:</b> WWF (US)</p>
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15. **Component 2: An innovation grant facility.** This Component will be led by *Conservation International* (CI) under the fifth Grant Agreement with the World Bank and in partnership with each of the four regional EAs outlined above. Grants will support a range of innovative activities – analyses, evaluations, events - that will contribute in parallel to the effective delivery of Component 1 and the Project’s PDO. The fund will be opportunistic and incremental, for example evaluating efforts already underway by private operators and associations. The criteria and challenges that this fund seeks to address have been defined during project preparation and include three sets of activities:

- Conduct upstream analyses to inform management decisions;
- Evaluate new gears or technologies, including for monitoring, control and surveillance (MCS); and
- Coordinate regional and global workshops/exchanges and networking to build capacity and share experiences and lessons learned.

16. **Component 3: Inter-Regional Coordination, Implementation Support and Monitoring and Evaluation.** This Component will provide parallel support for Components 1 and 2. First, in regard to inter-regional coordination, it will enable regional outreach and collaboration between the four regional project activities and innovation grant facility. Inter-regional work will be undertaken through a small, but potentially influential, Global Think Tank (GloTT) comprising the five project EAs together with a multidisciplinary group of thematic specialists. The objectives of the GloTT would be to facilitate (a) the exchange of experiences and learning associated with regional business plans’ Pilot design and planning process; (b) south-south awareness and capacity building; (c) debate on specific topics prioritized amongst the EAs, specialists and other interested stakeholders (including some commissioned analytical work); and (d) production of a [set of] seminal Economic and Sector Work (ESW) papers for Bank/GEF publication and other appropriate knowledge products on the management, performance and prospects for these fisheries and associated marine biodiversity. Second, in regard to monitoring and evaluation, this Component will deploy tools and approaches

(including the Bank’s Fisheries Performance Indicators (FPI)) to enable effective benchmarking of performance and progress against agreed targets (Section IV B). Finally, Component 3 will informally monitor any pilot projects that are successful in securing external finance during the project’s lifetime, ensuring appropriate lessons are learned and disseminated.

#### IV. POTENTIAL ENVIRONMENTAL AND SOCIAL IMPACTS

17. The project is global TA with no physical footprint, and will invest in the preparation of business plans to support sustainable fisheries in up to four regions/‘seascapes’. Though these

business plans will not be implemented under the Project, the investments will have a physical footprint and will generate both adverse and positive environmental and social impacts that will need to be addressed.

18. The environmental and social impacts of the downstream investments will generally depend on the type of activities under each business plan. Examples of the type of reforms proposed under the final business plans may include the following **activities which have the potential to incur adverse environmental or social impacts**:

- Investment into private enterprise including infrastructure works for high-value / value-added processing with improved market access; innovative technologies to reduce bycatch and improve catching efficiency; buy-back schemes and other operations to reduce fishing capacity. Investments and the value proposition these offer, would leverage public-private commitment to institute secure and exclusive access, including appropriate allocative and enforcement mechanisms agreed by key parties.
- Investment into public sector schemes (such as national collective action initiatives) to improve the ‘business model’ of existing management schemes such as the Pacific Vessel Day Scheme, or new collective action models yet to be identified, in order to generate value proposition incentives for enabling reform and downstream private sector investment.
- Investment into tourism/fisheries schemes such as innovative information technologies in the Caribbean for monitoring billfish (also shark) catch / tag / release compensation programs involving recreational and commercial fishers.
- Integral with the above would be opportunities for investment in technologies for improved real time catch data generation and management to support future management and certification schemes, and cost effective fisheries monitoring, control and surveillance.
- Similar investment opportunities in pollution control may be available where processing of high value fish may be impacted negatively by pollution from say urban outfalls. Asserting access rights to hygienic and sanitary working conditions may provide a value proposition to exporters.
- Uptake of new fishing gear and fishing or MCS technology that increases demand for these products could result in increased demand for raw material inputs that have adverse impacts in areas where they are sourced.

19. The scale and likelihood of adverse impacts arising from these activities is limited, and the types of mitigation activities well-known and proven. As such, the Project and the BPs are found to be Category B interventions.

20. Each set of activities proposed for inclusion in a BP will be screened by the Project Executing Agency in consultation with experts and affected peoples. This will happen in two stages: (i) first the EA will undertake a scoping exercise with knowledgeable and local experts about the technical and geographical areas in which the BP will advocate change; and (ii) building on this scoping, the EA will review each and every proposed activity in the BP according to the following decision-support tree:

- Does activity have potential to cause adverse impact (social or environmental) building on the type of impacts possible found during scoping and now relevant to precise place and context of proposed activity?
- If no, the activities are cleared from a safeguard perspective and can be included in the BP.
- If yes, are the impacts irreversible?
- If yes, the activity is excluded.
- If no, do any of the activities result in any impact listed under Table 2A (the ineligible list)?
- If yes, the activity is excluded.
- If no, can the impacts be reasonable avoided, minimized and mitigated with known measures?
- If no, the activity is excluded or a compensation/offset plan is added to the appropriate safeguard instrument.
- If yes, identify the appropriate safeguard instrument to be prepared to describe the impact, list the known mitigation measures, assign roles and responsibilities and estimate a budget for execution.
- Prepare said instrument.

21. The project is global in scope and will result in the preparation of business plans to support sustainable fisheries in up to four marine areas including: the Caribbean, Eastern Pacific, Western and Central Pacific and the Bay of Bengal. Pilot projects will be implemented on the basis of business plans after the current TA is completed.

22. Business plans will address priority conservation objectives and the project is thus expected to have a positive environmental impact. Resources will be directed to important biodiversity issues while ensuring no or minimum adverse environmental effects. Business plans should not adversely affect natural habitats and forests resources. *EAs will not approve business plans that are to fund any activity that involves the removal, alteration or disturbance of any physical cultural resources (defined as movable or immovable objects, sites, structures, and natural features and landscapes that have archeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance).* These may, however, be present in business plan areas and the screening criteria and review process of this ESMF aims to ensure that they are identified and adverse effects are avoided.

23. Minor environmental impacts of *projects described in the business plans* may occur from small-scale infrastructure construction (e.g. installation of small to medium size fish processing plants), land and resource use changes, and tourism activities. The review process for identifying and assessing safeguard impacts of business plan activities and assessing impact mitigation measures, as described in this ESMF, aims to ensure that the World Bank's safeguard policies on environmental assessment (OP 4.01), natural habitats (OP 4.04), indigenous peoples (4.10) and involuntary resettlement (4.12) are followed.

## Review of Environmental Issues

24. *The EAs are required* to include in the business plans a brief description of any activities that may involve environmental impacts, any known environmental sensitivities, and any sites with known or potential archeological, paleontological, historical, religious or unique natural values. This should be based on a scoping with knowledgeable expert and local stakeholders.



25. *Business plans that foresee significant and irreversible negative impacts* on the environment that are not easily mitigated will not be approved. In the event of business plans with potential minor and manageable environmental impacts, an environmental review should be undertaken (see Table 2 for more guidance; see also the World Bank's Environmental Assessment Policy and Sourcebook for guidance on determining level of impacts). The review examines the business plan's potential negative and positive environmental impacts and defines any measures needed to prevent, minimize or mitigate adverse impacts and improve environmental performance.

26. Business plans that propose activities with minor and manageable social and environmental impacts should include the following basic elements:

- A description of the possible adverse effects that specific business plan activities may occur (see table 3 for some basic guidance on potential environmental impacts);
- A description of any planned measures to avoid or mitigate adverse impacts, and how and when they will be implemented;
- A system for monitoring the environmental effects of the project;
- A description of who will be responsible to implement/monitor mitigation measures; and
- A cost estimate of the mitigation measures (the costs for environmental management will be included in the of business plan proposal).

27. Executing Agencies will select Environmental Assessment instrument(s) appropriate for each downstream investment identified, according to the responsibilities set in Table 4.

## Mitigation Measures

28. The main environmental impacts for eligible business plans would be minor impacts from construction of infrastructure (see section “Overview of Environmental and Social Issues” above), potential increase in use of marine protected areas, and change in natural resource management/use.

29. The small-scale construction of infrastructure may have minor, short-term direct impacts on vegetation and local species-mainly due to soil excavation, dust, and noise. Increased use of project sites may produce a direct impact because of under-management of tourist sites and facilities, possible overuse of campsites or trails, increased waste, harvesting of live wood for campfires, purposeful disturbance of wildlife, accidental fires, disturbance of flora and fauna, trespassing into fragile areas, and non-maintenance of trails leading to slope erosion.

30. Since only business plans with minor impacts will be eligible, these are easily mitigated through the application of sensible site selection criteria, good construction practices and diligent management practices in the operational phase. This may include proper siting of infrastructure to avoid and minimize impacts, construction contract procedures for dealing with —chance finds, control of dust generation and prevention, waste management and technology for toilet facilities like leaching fields, organic composting, and septic tanks (see Table 2). Further guidance on Health and Safety issues is provided for in the World Bank Group Environmental Health and Safety Guidelines (2007) (found at: [www.ifc.org](http://www.ifc.org)).

31. There is a possibility that the pilots may result in damage to physical cultural property unless these are identified. Business plan proposals with activities that may occur in areas with possible



physical cultural resources will specify procedures for identifying physical cultural property and for avoiding impacts on these, including:

- Consultations with the appropriate authorities and local inhabitants to identify known or possible sites during business plan development;
- Siting of business plan activities to avoid identified sites (including identifying such areas in protected and natural resource management planning and zonation);
- Chance finds procedures will include cessation of work until the significance of a “find” has been determined by the appropriate authorities and local inhabitants, and until fitting treatment of the site has been determined and carried out;
- Construction contract procedures will include the same procedures for dealing with —chance finds;
- Buffer zones or other management arrangements to avoid damage to cultural resources such as —sacred forests and graveyards. Local communities to which these areas belong should decide access procedures and should not be excluded from accessing these areas.

32. The ESMF stresses community participation since local knowledge is important in identifying, designing and planning the implementation of practical mitigation measures. It is especially important where the success depends on community support and action, both in implementing mitigation measures and in monitoring their success.

**Table 2: Potential environmental impacts and standard mitigation measures**

<b>Sub-project activity</b>	<b>Potential impacts</b>	<b>Standard mitigation measures</b>	<b>Monitoring and indicators</b>
Construction of basic infrastructure (e.g. fish inspection houses, small to medium size fish processing plants, hatchery facilities) Processing plant;	Minor, short-term potential impacts on already disturbed and small areas of vegetation – mainly due to soil excavation, dust and noise	Consult local communities to determine appropriate siting of infrastructure to minimize impacts Ensure trails are ‘fit-for-purpose’, restricting width to the needs to foot patrols or tourists. In areas where trail bikes are used, the means of controlling access will be instituted. Obtain any permits required by national and local regulations prior to construction Choose most appropriate timing for construction to avoid or minimize impacts Infrastructure will be designed in accordance with local traditions, local architecture, and good environmental practices Appropriate management/disposal of waste+ debris	Incidental take of species is recorded (indicator species identified and monitored) Communities’ free, prior and informed consent is recorded Debris does not litter the site
Increase in recreational use of protected areas	Impact on habitat and wildlife through increased noise and disturbance, waste, accidental fires, harvesting of rare species or natural resources Lack of maintenance of trails leading to erosion on slopes Social impacts on local communities	Support training and TA to develop skills for effective tourism management Promulgate rules and guidelines for visitors Provide waste and toilet facilities	Monitoring number of tourists Monitor habitat disturbance Communities free, prior and informed consent is recorded
IAS removal (by mechanical or chemical means)	Native species accidentally removed	Provide training on IAS and native species differentiation Isolate native species through demarcation	Monitor native indicator species for ecosystem response

## V. LEGAL, POLICY AND REGULATORY FRAMEWORK

33. The project is set within a complex array of international instruments, some legally binding, some voluntary, that have emerged over the last few decades in response to these declines and growing concerns about the need for more effective management of ocean resources. Key legally binding instruments are the 1982 United Nations Convention on the Law of the Sea (UNCLOS), the 1995 UN Fish Stocks Agreement<sup>6</sup> (UNFSA), and 1993 FAO Agreement to promote compliance with international conservation and management measures by fishing vessels on the high seas. Key voluntary instruments are the 1995 FAO Code of Conduct for Responsible Fisheries and associated International Plans of Action to manage overcapacity; illegal, unreported, unregulated (IUU) fishing; bycatch including sharks, seabirds, turtles, cetaceans; as well as FAO Technical Guidelines for Responsible Fisheries; managing excess fishing capacity; ecosystem and precautionary approaches; integrated management; marine protected areas and fisheries; bycatch and the reduction of discards; responsible trade – together with the 2012 FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, with the purpose of promoting secure tenure rights and equitable access to land, fisheries and forests as a means of eradicating hunger and poverty, supporting sustainable development and enhancing the environment. The project is fully consistent with the requirements and guidance provided by these instruments, with the major concern being their full and effective implementation (e.g. FAO SOFIA 2012).

34. As the project is global in scope and will invest in the preparation of business plans to support sustainable fisheries in up to four regions/‘seascapes’ (Caribbean, Eastern Pacific, Western and Central Pacific and the Bay of Bengal), the business plans developed will comply with country-specific legal/regulatory framework relevant to environmental and social protection.

35. **International institutional context.** The reported declining trends in many highly migratory fisheries can be attributed largely to the current weaknesses in institutional arrangements that govern access to these resources and the ways in which they are exploited. These weaknesses have led to poor fisheries performance – a classic *tragedy of the commons* played out in many parts of the world (Hardin 1968, but also explored in World Bank 2009 – the *Sunken Billions*<sup>7</sup>). Economic spillovers or externalities are particularly acute in shared highly migratory stocks where fleets compete in a *race to fish*, to capture rents from these valuable species. Competition occurs at multiple levels – within and between adjacent states, and between states’ EEZs and ABNJ.

36. The project is set within a complex array of international instruments, some legally binding, some voluntary, that have emerged over the last few decades in response to these

<sup>6</sup> Relating to the conservation and management of straddling fish stocks and highly migratory fish stocks.

<sup>7</sup> It is important also to note the significance of effective fisheries management in the context of declining trends and the *race to fish*. FAO’s *From Drain to Gain in Capture Fisheries Rents – A synthesis study* (2010) notes that “negative to zero rents yielded by world capture fishery resources are reflected in the state of the resources themselves.” And that although 75 percent of the capture fishery resources are characterized as being fully exploited, overexploited, depleted or recovering from a *biological* perspective, this invariably implies these are all *overexploited* from an economic perspective i.e. from an “economic perspective, 75 percent of the global capture fishery resources are overexploited (World Bank and FAO, 2009)”.

declines and growing concerns for more effective management of ocean resources. Key legally binding instruments are the United Nations Convention on the Law of the Sea (UNCLOS), the UN Fish Stocks Agreement<sup>8</sup> (UNFSA), and Agreement to promote Compliance with international conservation and management measures by fishing vessels on the high seas. Key voluntary instruments are the FAO Code of Conduct for Responsible Fisheries and associated International Plans of Action to manage overcapacity; illegal, unreported, unregulated (IUU) fishing; bycatch including sharks, seabirds, turtles, cetaceans; as well as FAO Technical Guidelines for Responsible Fisheries; managing excess fishing capacity; ecosystem and precautionary approaches; integrated management; marine protected areas and fisheries; bycatch and the reduction of discards; responsible trade; etc. The project is consistent with the requirements and guidance provided by these legal instruments and aims to contribute towards enhancing the implementation of some of their requirements.

37. UNFSA is of particular relevance to this project. This instrument specifically addresses the conservation and management of straddling, highly migratory stocks. Consistent with the UNCLOS, the UNFSA obliges states *inter alia* to agree measures to ensure the optimal utilization of these stocks either through bilateral arrangements or through regional organizations. UNFSA provides that such measures take account of ‘special conditions’ of developing States (such as economic dependency) and that *any management measures established for ABNJ in respect of these stocks do not undermine the effectiveness of management measures adopted by coastal States within their jurisdictions*. In this regard, given the crucial importance of stakes held in these shared fisheries to the current and prospective economic wellbeing of several of our Bank clients, and the fact that these stakes risk being undermined unless effective fisheries management arrangements for *both* ABNJ and EEZ<sup>9</sup> are established, UNFSA provides a powerful institutional rationale for World Bank engagement through this project (and through the overarching FAO led GEF ABNJ Program) in efforts to improve the management of these vitally important fisheries<sup>10</sup>.

38. The ESMF provides an overview of relevant World Bank Group safeguard policies below (Table 3). It will also describe the process for developing specific safeguard instruments as part of the BP process, outline roles and responsibilities for the application of the ESMF, and provide a budget for it.

**Table 3. World Bank Safeguard Policies triggered**

Safeguard Policies	Triggered	Why	Related Instrument
Environmental Assessment	Yes	While this is a TA project with no physical investment, the	Environmental Impact Assessment and Environmental

<sup>8</sup> Relating to the conservation and management of straddling fish stocks and highly migratory fish stocks.

<sup>9</sup> Including territorial seas and archipelagic waters

<sup>10</sup> Nothing in the Bank’s legal and policy architecture prevents it from providing financing for activities related to ABNJ as long as the implementation arrangements are made through an entity that has the mandate to implement activities in ABNJ [Section 3 of the IDA Articles and Article XI: Section 2(g) of the IBRD articles refer to the “territorial application” of the articles as being each signatory government on its own behalf (including its territories). IDA Articles also note that the beneficiaries of Bank financing can include a public international or regional organization, such as an RFMO].

OP/BP 4.01		development of business plans under Component 1, when implemented regardless of the funding source, will have physical footprints and will generate both adverse and positive environmental and social impacts that will need to be addressed. For these reasons, OP4.01 is triggered.	Management Plan (Annex A)
Natural Habitats OP/BP 4.04	<b>Yes</b>	The business plans developed by this TA will lead to subsequent investments that are likely to impact natural habitats, although most of these impacts are expected to be positive.	Included as part of the EIA/EMP under Annex A
Forests OP/BP 4.36	<b>No</b>	Following discussion with the RSA, it was agreed that the business plans developed by this TA will not impact mangrove forests.	
Pest Management OP 4.09	<b>No</b>	Following discussion with the RSA, it was agreed that there will be no impacts from this Project related to pest management. .	
Physical Cultural Resources OP/BP 4.11	<b>No</b>	Following discussion with the RSA, it was agreed that there will be no impacts from this Project related to physical cultural resources.	
Indigenous Peoples OP/BP 4.10	<b>Yes</b>	Indigenous Peoples are likely to be present in some of the areas and are likely to benefit from reform pathways when implemented.	Each area and business plan will be screened to determine whether Indigenous Peoples are present. An Indigenous Peoples Planning Framework (IPPF) is included in Annex C, the main elements of which would be a free, prior and informed consultation process to ensure that IPs are not adversely affected by project activities (e.g. siting of infrastructure and construction work related to component 2) and that they are not excluded from project benefits.

Involuntary Resettlement OP/BP 4.12	<b>Yes</b>	<p>The subsequent investments identified from the business plan may result in loss of access to natural resources in protected areas.</p> <p>Business plans will not propose activities that will result in the involuntary physical displacement of people or the means of their livelihoods.</p>	A Process Framework is included in Annex B in case there is loss or restriction of access to natural resources.
Safety of Dams OP/BP 4.37	<b>No</b>	Neither this project nor the implementation of the business plans will involve building dams. None of the future investments is envisaged to depend on an existing dam.	
Projects on International Waterways OP/BP 7.50	<b>No</b>	The project will not propose BPs that affect or impact international waterways as defined by OP 7.50.	
Projects in Disputed Areas OP/BP 7.60	<b>No</b>	The project will not propose BPs that implicate disputed areas as defined by OP 7.60.	

## VI. PROCEDURES TO ADDRESS ENVIRONMENTAL AND SOCIAL IMPACTS

39. Screening of business plans and identified investments for environment and social impacts will be done by the Executing Agencies according to the template screening form presented in Annex A. The screening of the business plans for adverse environment and social impacts and the preparation of appropriate safeguard instruments for each plan will be guided by this Environment and Social Management Framework (ESMF). The World Bank, Project Executing Agencies (EAs) and agencies who implement the pilots have the overall responsibility for ensuring that environmental and social issues are adequately addressed within the project cycle described in the business plan, as described in Table 4.

40. The guidance to Bank staff on applying safeguard policies to TA in Bank-financed projects are available in the *Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank- Financed Projects and Trust Funds Administered by the Bank*, which are posted on the World Bank safeguards internal site under "What's New" and under "Technical Guidance - General Safeguards Guidance".

41. The bank classifies the proposed project into one of four categories, depending on the type, location, sensitivity, and scale of the project and the nature and magnitude of its potential environmental impacts.

- **Category A** downstream projects are those that have potential significant adverse environmental and social impacts that are (i) sensitive (i.e., a potential impact is considered sensitive if it may be irreversible - e.g., lead to loss of a major natural habitat, or raise issues covered by OP 4.04, Natural Habitats; OP 4.36, Forests; OP 4.10, Indigenous Peoples; OP 4.11, Physical Cultural Resources; or OP 4.12, Involuntary Resettlement; or in the case of OP 4.09, when a project includes the manufacture, use, or disposal of environmentally significant quantities of pest control products); (ii) diverse, or unprecedented; and/or, (iii) affecting an area broader than the sites or facilities subject to physical works.
- **Category B** downstream projects are those sub projects that have potential adverse environment and social impacts that are less adverse, site-specific; and few if any of the impacts are irreversible.
- **Category C** downstream projects are those sub projects that have minimal or no adverse environmental and social impacts.

42. Potential safeguard instruments:

- **Limited Environment and Social Impact Assessment (ESIA).** A limited ESIA is undertaken for Category B sub projects that will require additional sub project-specific data/information and further analysis to determine the full extent of environment and social impacts, which cannot be supplied by an Environment and Social Management Plan (ESMP) and/or an Environmental Code of Practice (ECOP). **Exceptions:** all Category A projects will apply a full ESIA, while Category C projects do not require any safeguard instrument beyond screening.



- **Environmental and Social Management Plan (ESMP).** For sub projects that do not require additional data and analysis, an ESMP may be prepared to address construction-related and site-specific environment and social issues.
- **Environmental Code of Practice (ECOP).** For construction-related impacts, an **ECOP** should be sufficient to address environment and social issues.
- **Resettlement Action Plan (RAP).** Either an abbreviated RAP or a full RAP will need to be prepared by the sub project depending on the number of project affected persons. If more than 200 are affected, a full RAP has to be prepared; if less than 200 an Abbreviated RAP is prepared.
- **Social Assessment (SA).** Projects triggering OP 4.10 are required to undertake a social assessment and free, prior and informed consultations. The social assessment may be undertaken as a separate exercise or may be included as part of a broader ESIA. Assessment results may be presented as a stand-alone social assessment document, or may be incorporated into the broader ESIA.
- **Indigenous Peoples Plan (IPP).** If Indigenous Peoples are present in, or have collective attachment to, the sub project area, an IPP is required for the sub project.
- **Incorporating elements of an IPP in sub project design.** In sub project settings where the sole or overwhelming majority of direct beneficiaries are Indigenous Peoples, the elements of the IPP may be incorporated into the overall sub project design. A separate IPP is not required.

43. Implementation Agencies will prepare and submit screening document and safeguards instruments. Executing Agencies is responsible for review and approval of safeguards documents.

44. During implementation of downstream project, the implementation agency will be responsible for ensuring the safeguards requirements are properly implemented. Executing Agencies will be responsible for supervision of safeguard requirements.

## **VII. GRIEVANCE REDRESS MECHANISM**

45. Local communities and other interested stakeholders may raise a grievance at any time to the Project Executing Agency or the World Bank. Project Executing Agencies should ensure that they make available the contact information for affected local communities to access the Project grievance mechanism.

46. As a first stage, grievances should be made to the Project Executing Agency, who should respond in writing within 30 calendar days of receipt. Contact information is as follows:

- Western and Central Atlantic Fisheries Commission - FI-Inquiries@FAO.org
- Bay of Bengal Programme - info@bobpigo.org

- Forum Fisheries Agency - [info@ffa.int](mailto:info@ffa.int)
- WWF - <http://worldwildlife.org/about/contact>
- Conservation International - [http://www.conservation.org/Pages/contact\\_us.aspx](http://www.conservation.org/Pages/contact_us.aspx)

47. Upon receipt, grievances should be filed, included in project monitoring reports, and a copy of the grievance should be provided to the World Bank. If the claimant is not satisfied with the response, the grievance may be submitted to the World Bank directly at: [ipanel@worldbank.org](mailto:ipanel@worldbank.org). The World Bank will respond within 30 calendar days of receipt, and claims will be filed and included in project monitoring and reporting. The claimant retains the right to submit a grievance to the World Bank Inspection Panel.

48. Business plans triggering specific safeguard instruments must also include local conflict resolution and grievance redress mechanisms in the respective safeguard documents. These will be developed in participation with the affected communities in culturally appropriate ways and will ensure adequate representation from vulnerable or marginalized groups and sub-groups.

## VIII. INSTITUTIONAL ARRANGEMENTS, RESPONSIBILITIES AND CAPACITY BUILDING

49. A rapid assessment of the institutional capacity of each Project Executing Agencies to comply with the World Bank's safeguard policies was conducted during Project preparation. The results of the rapid institutional assessment suggest that each of the Agencies has sufficient capacity to understand their role and the technical capacity to undertake consultations and produce safeguard instruments. For example, one agency, **Conservation International** has broad experience managing Bank safeguard policies and instruments based on its work with another global biodiversity operation (e.g., the Critical Ecosystem Partnership Fund). This experience includes successful development, implementation and active supervision of a range of World Bank-approved safeguard instruments. **WWF** also has similar experience given its past role as recipient of World Bank funding. **The Bay of Bengal Programme** and the **Forum Fisheries Agency** both have experience with World Bank safeguards because of their respective link to IDA-financed operations.

50. Nonetheless, the World Bank will provide refresher training to each Project Executing Agency in the first year of the Project to build their capacity and provide implementation support during the actual determination of the range of activities to be included in each BP. The budget for this training will be included in the Project.

### Responsibilities

51. The World Bank, Project EAs and agencies who implement the pilots have the overall responsibility for ensuring that environmental and social issues are adequately addressed within the project cycle described in the business plan, as described in Table 4. If the risks or complexity of particular safeguard issues outweigh the benefits of any proposed activities or reform pathways in the BP, these particular activities will be excluded from the BP.

**Table 4: Key responsibilities for ESMF implementation**

<b>Business Planning Phase</b>	<b>World Bank</b>	<b>Project Executing Agencies (known)</b>	<b>Agencies (unknown) who Pilot BPs</b>
<b>Scoping</b>	Confirm adequate consultations	Disclose ESMF Undertake informed consultation with stakeholders and interested parties in the area (technical and geographical) proposed to be included in each BP, to identify potential scope of adverse environmental and social impacts	
<b>Screening</b>		Screen all proposed BP activities for adverse social and environmental impacts (guided by outcome of scoping exercise) Eliminate all activities that are included in the negative list in Table 5. Eliminate any activity that could reasonably lead to the involuntary resettlement of people or displacement of the physical means of their livelihood	
<b>Preparation</b>	Review safeguard instruments Review consultation process	Applying ESMF principles and process, produce zero drafts of relevant safeguard instruments to include in each business plan when appropriate Disclose draft Undertake informed consultation on drafts with stakeholders and affected peoples Update instruments to reflect stakeholder input and include with final BPs	
<b><u>Implementation</u> (outside scope of the Project)</b>			Update safeguard instruments (including budget) in consultation with affected people when near-final technical specifications are agreed Fully disclose all final safeguard instruments Monitor and document the implementation of safeguard measures. When indigenous peoples are affected, include them in participatory monitoring and evaluation exercises

**Table 5. Ineligible Activity List**

The following activities will be deemed ineligible – activities which:

1. Involves the significant conversion or degradation of critical natural habitats.
2. Will significantly damage non-replicable cultural property.
3. Requires:
  - Political campaign materials or donations in any form;
  - Weapons including (but not limited to), mines, guns and ammunition;
  - Involuntary land acquisition under any conditions;
  - Any activity on land that is considered dangerous due to security hazards or the presence of unexploded mines or bombs;
  - Any activity on land or affecting land that has disputed ownership, tenure or user rights.
  - Any activity that will support drug crop production or processing of such crops.
4. In addition to the above general list, the following negative list is added from the IFC exclusion list:
  - Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements;
  - Trade in wildlife or wildlife products regulated under CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora);
  - Production or trade in radioactive materials;
  - Production or trade in or use of unbounded asbestos fibers;
  - Purchase of logging equipment for use in cutting forest;
  - Production or trade in pharmaceuticals subject to international phase outs or bans;
  - Production or trade in pesticides/herbicides subject to international phase outs or bans;
  - Fishing in the marine environment using electric shocks and explosive materials;
  - Production or activities involving harmful or exploitative forms of forced labor / harmful child labor.
  - Commercial logging operations for use in primary tropical moist forest;
  - Production or trade in products containing PCBs (polychlorinated biphenyls);
  - Production or trade in ozone depleting substances subject to international phase out;
  - Production or trade in wood or other forestry products from unmanaged forests;
  - Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals;
  - Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements;
  - Production or trade in alcoholic beverages;
  - Gambling, casinos and equivalent enterprises;
  - Anti-democratic activities like e.g. Nazi propaganda

## Disclosure

52. The ESMF is made available through the World Bank website ( [www.worldbank.org](http://www.worldbank.org)), as well as through the websites of each of the Project Executing Agencies:

- Western and Central Atlantic Fisheries Commission - [www.fao.org/fishery/rfb/wecafc/en](http://www.fao.org/fishery/rfb/wecafc/en)
- Bay of Bengal Programme - [www.bobpigo.org](http://www.bobpigo.org)
- Forum Fisheries Agency - [www.ffa.int](http://www.ffa.int)
- WWF - [worldwildlife.org](http://worldwildlife.org)
- Conservation International - [www.conservation.org](http://www.conservation.org)

53. During the preparation of BPs, any safeguard instrument prepared as part of a BP will also need to be publicly disclosed, including in a language and format accessible to affected communities.

54. Disclosure will occur in two phases:

- Disclosure of assessment documents (e.g. social assessment and environmental review) and draft safeguard documents (e.g. IPP and PF) during business plan preparation and prior to final review and approval of the BP. Disclosure during business plan preparation aims to seek feedback and input from local communities, and as appropriate other stakeholders, on the business plan proposal and safeguard measures and documents.
- Disclosure of final safeguard documents prior to business plan finalization to inform local communities of implementation measures concerning safeguard issues.

## ANNEXES

### Annex A. SCREENING FORM FOR POTENTIAL ENVIRONMENTAL AND SOCIAL SAFEGUARDS ISSUES (EXAMPLE)

This form is to be used by the implementing agency for to screen potential environmental and social safeguards issues of a sub project, determine World Bank policies triggered and the instrument to be prepared for the sub project.

Subproject Name	
Subproject Location	
Subproject Proponent	
Subproject Type/Sector	
Estimated Investment	
Start/Completion Date	

Questions	Answer		If Yes, WB policy triggered	Documents required if Yes
	yes	no		
Are the subproject impacts likely to have significant adverse environmental impacts that are sensitive <sup>11</sup> , diverse or unprecedented? Please provide brief description <sup>12</sup>			<i>OP 4.01 Environmental Assessment Category A</i>	Environmental and Social Impact Assessment (ESIA)
Do the impacts affect an area broader than the sites or facilities subject to physical works and are the significant adverse environmental impacts irreversible? Please provide brief description:			<i>OP 4.01 Environmental Assessment Category A</i>	ESIA
Is the proposed project likely to have minimal or no adverse environmental impacts? <sup>13</sup> Please provide brief justification:			<i>OP 4.01 Environmental Assessment Category C</i>	No action needed beyond screening
Is the project neither a Category A nor			<i>OP 4.01</i>	Limited ESIA or

<sup>11</sup> Sensitive (i.e., a potential impact is considered sensitive if it may be irreversible - e.g., lead to loss of a major natural habitat, or raise issues covered by OP 4.04, Natural Habitats; OP 4.36, Forests; OP 4.10, Indigenous Peoples; OP 4.11, Physical Cultural Resources; or OP 4.12, Involuntary Resettlement; or in the case of OP 4.09, when a project includes the manufacture, use, or disposal of environmentally significant quantities of pest control products);

<sup>12</sup> Examples of projects where the impacts are likely to have significant adverse environmental impacts that are sensitive, diverse or unprecedented are large scale infrastructure such as construction of new roads, railways, power plants, major urban development, water treatment, waste water treatment plants and solid waste collection and disposal etc.

<sup>13</sup> Examples of projects likely to have minimal or no adverse environmental impacts are supply of goods and services, technical assistance, simple repair of damaged structures etc.

Category C as defined above? <sup>14</sup> Please provide brief justification:			<i>Environmental Assessment Category B</i>	ESMP
Are the project impacts likely to have significant adverse social impacts that are sensitive, diverse or unprecedented? <sup>15</sup> Please provide brief description:			<i>OP 4.01 Environmental Assessment Category A</i>	ESIA
Will the project adversely impact physical cultural resources? <sup>16</sup> Please provide brief justification:			<i>OP 4.11 Physical Cultural Resources</i>	Addressed in ESIA (ESIA with PCR Management Plan and/or Chance Find Procedures)
Will the project involve the conversion or degradation of non-critical natural habitats? Please provide brief justification:			<i>OP 4.04 Natural Habitats</i>	Addressed in ESIA
Will the project involve the significant conversion or degradation of critical natural habitats <sup>17</sup> ?			<i>OP 4.04 Natural Habitats</i>	Not eligible
Does the sub-project construct a new dam or rely on the performance of an existing dam or a dam under construction?			<i>OP 4.37 Dam Safety</i>	Dam Safety Plan
Does the project procure pesticides (either directly through the project, or indirectly through on-lending, co-financing, or government counterpart funding), or may affect pest management in a way that harm could be done, even though the project is not envisaged to procure pesticides?			<i>OP4.09 Pest Management</i>	Addressed in ESIA (Pest Management Plan)

<sup>14</sup> Projects that do not fall either within OP 4.01 as a Category A or Category C can be considered as Category B. Examples of category B sub-projects include small scale *in-situ* reconstruction of infrastructure projects such as road rehabilitation and rural water supply and sanitation, small schools, rural health clinics etc.

<sup>15</sup> Generally, sub projects with significant resettlement-related impacts should be categorized as A. Application of judgment is necessary in assessing the potential significance of resettlement-related impacts, which vary in scope and scale from sub project to sub project. Subprojects that would require physical relocation of residents or businesses, as well as sub projects that would cause any individuals to lose more than 10 percent of their productive land area, often are categorized as A. Scale may also be a factor, even when the significance of impacts is relatively minor. Sub projects affecting whole communities or relatively large numbers of persons (for example, more than 1,000 in total) may warrant categorization as A, especially for projects in which implementation capacity is likely to be weak. Sub projects that would require relocation of Indigenous Peoples, that would restrict their access to traditional lands or resources, or that would seek to impose changes to Indigenous Peoples' traditional institutions, are always likely to be categorized as A.

<sup>16</sup> Examples of physical cultural resources are archaeological or historical sites, including historic urban areas, religious monuments, structures and/or cemeteries particularly sites recognized by the government.

<sup>17</sup> Subprojects that significantly convert or degrade critical natural habitats such as legally protected, officially proposed for protection, identified by authoritative sources for their high conservation.



Does the sub-project involve involuntary land acquisition, loss of assets or access to assets, or loss of income sources or means of livelihood? Please provide brief justification:			<i>OP 4.12 Involuntary Resettlement</i>	Resettlement Action Plan
Are there any ethnic minority communities present in the sub project area and are likely to be affected by the proposed sub-project negatively or positively? Please provide brief justification:			<i>OP 4.10 Indigenous People</i>	Ethnic Minority Development Plan/Indigenous Peoples Plan
Will the project have the potential to have impacts on the health and quality of forests or the rights and welfare of people and their level of dependence upon or interaction with forests; or aims to bring about changes in the management, protection or utilization of natural forests or plantations? Please provide brief justification:			<i>OP4.36 Forestry</i>	Addressed in ESIA
Will the project have the potential to have significant impacts or significant conversion or degradation of critical natural forests or other natural habitats?			OP4.36 Forestry	No eligible
Is there any territorial dispute between two or more countries in the sub project and its ancillary aspects and related activities?			OP7.60 Projects in Disputed Areas	Governments concerned agree
Will the sub project and its ancillary aspects and related activities, including detailed design and engineering studies, involve the use or potential pollution of, or be located in international waterways <sup>18</sup> ?			OP7.50 Projects on International Waterways	Notification (or exceptions)

### Conclusion and Safeguards Instruments Required:

The sub project is classified as a Category \_\_\_\_\_ project as per World Bank OP4.01, and the following safeguards instruments will be prepared:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

<sup>18</sup> International waterways include any river, canal, lake or similar body of water that forms a boundary between, or any river or surface water that flows through two or more states.

## **Annex B. PROCESS FRAMEWORK**

### **Process Framework for Involuntary Restrictions**

55. This Process Framework describes project requirements to address social impacts from restrictions of access to natural resources as per the World Bank's Involuntary Resettlement Policy (OP 4.12). The objectives of this Framework are to avoid, minimize, or mitigate potentially adverse effects of restrictions of access to natural resources, and ensure that affected communities are consulted with and participate in meaningful ways in project activities affecting them. The Framework describes the requirements and planning procedures for grant implementing agency and subsequently grantees in the preparation and implementation of related projects, as well as the role of EAs in ensuring compliance with this Framework.

#### **Access Restrictions**

56. BPs triggering the World Bank's policy on Involuntary Resettlement include activities that would introduce involuntary restrictions of access to legally designated parks and protected areas or support efforts to improve enforcement of existing restrictions. In all such cases it is necessary to follow the planning process described in this Framework, including the development of a Process Framework during project preparation and a Plan of Action during implementation. In every case, adverse social impacts on local communities should be avoided or appropriately mitigated.

57. The Framework does *not* apply to activities in a BP that provide incentives to change livelihood and natural resource use practices on a voluntary basis.

#### **Policy Requirements**

58. Pilots affecting local communities in terms of their access to local resources need to be prepared with care and with the participation of affected communities. The requirements of the World Bank's policy include:

- The development of a project-specific Process Framework during project preparation that describes the project and implementation process, including: (a) how specific components of the project were prepared and will be implemented; (b) how the criteria for eligibility of affected persons will be determined; (c) how measures to assist the affected persons in their efforts to improve or restore, in real terms, to pre-displacement levels, their livelihoods while maintaining the sustainability of the park or protected area will be identified; and (d) how potential conflicts involving affected persons will be resolved. It also provides a description of the arrangements for implementing and monitoring the process.
- The development of a Plan of Action during project implementation that describes the agreed restrictions, management schemes, measures to assist the displaced persons and the arrangements for their implementation. This could be in the form of a natural resources or protected areas management plan.

## Content of the Process Framework

59. Participation of affected communities is the key element of the Process Framework. Affected communities have the right to participate in deciding the nature and scope of restrictions and the mitigation measures.

60. The Process Framework should include the following elements:

A. Project background. The Framework will briefly describe the project and local context, how the project was prepared, including the consultations with local communities and other stakeholders, and the findings of any social analysis or surveys that informed design. It will describe project activities and potential impacts from these.

B. Participatory implementation. This section will detail the participatory planning process for determining restrictions, management arrangements, and measures to address impacts on local communities. The roles and responsibilities of various stakeholders and the methods of participation and decision-making should be described; decision-making may include the establishment of representative local structures, the use of open meetings, and involvement of existing local institutions. Methods of consultation and participation should be in a form appropriate to local needs.

Decisions should be based on well-founded understandings of the biological and socioeconomic contexts. It is thus common to include some form of participatory social assessment to inform the decision-making process. Such an assessment could develop a more in-depth understanding of:

(a) the cultural, social, economic, and geographic setting of the communities in the project areas; (b) the types and extent of community use of natural resources, and the existing rules and institutions for the use and management of natural resources; (c) identification of village territories and customary use rights; (d) local and indigenous knowledge of biodiversity and natural resource use; (e) the threats to and impacts on the biodiversity from various activities in the area, including those of local communities; (f) the potential livelihood impacts of new or more strictly enforced restrictions on use of resources in the area; (g) communities' suggestions and/or views on possible mitigation measures; (h) potential conflicts over the use of natural resources, and methods for solving such conflicts; and (i) strategies for local participation and consultation during project implementation, including monitoring and evaluation.

Similarly, biological and ecological assessments are commonly undertaken to develop a well-founded understanding of existing biodiversity and natural resources and threats to these. Threats analysis is a useful tool to ascertain that restrictions will be informed by real threats rather than assumptions about the impacts from local communities' natural resource use practices, which sometimes can be viewed in stereotypical ways.

It is important to also pay particular attention to land tenure issues, including traditional land rights and obligations and use of natural resources by different local communities. For instance, areas used to collect non-timber forest products and for shifting cultivation, including fallow areas, under traditional farming systems should not be exposed to restrictions unless this is

necessary for the conservation of important biodiversity and appropriate agreements with local communities can be made.

C. Criteria for eligibility of affected persons. The Framework describes how the local communities will participate in establishing criteria for eligibility for assistance to mitigate adverse impacts or otherwise improve livelihoods. In cases with significant consultations and social analysis during preparation, these criteria may be included in the Framework. However, in most cases they will be developed, or at least refined, during implementation. This would typically be done as part of a participatory social assessment process described above.

The eligibility criteria would determine which groups and persons are *eligible for assistance* and mitigation measures, not groups affected by the project. That is, the criteria may exclude certain persons or groups from assistance because their activities are clearly illegal, unsustainable, and destructive (e.g. wildlife poachers, dynamite fishers). The criteria may also distinguish between persons utilizing resources opportunistically and persons using resources for their livelihoods, and between groups with customary rights and non-residents or immigrants.

The Framework should identify vulnerable groups and describe what special procedures and measures will be taken to ensure that these groups will be able to participate in, and benefit from, project activities. Vulnerable groups are groups that may be at risk of being marginalized from relevant project activities and decision-making processes, such as groups highly dependent on natural resources, forest dwellers, Indigenous Peoples,<sup>7</sup> groups or households without security of tenure, mentally and physically handicapped people or people in poor physical health, and the very poor.

D. Measures to assist the affected persons. The Framework should describe how groups or communities will be involved in determining measures that will assist affected persons in managing and coping with impacts from agreed restrictions. The common objective is to improve or restore, in real terms, to pre-displacement levels, their livelihoods while maintaining the sustainability of the park or protected area. However, in some circumstances affected communities may agree to restrictions without identifying one-for-one mitigation measures as they may see the long-term benefits of improved natural resource management. They may also forego practices in place of obtaining more secure land tenure and resource use rights. Possible measures to offset losses may include:

- Special measures for the recognition and support of customary rights to land and natural resources.
- Transparent, equitable, and fair ways of more sustainable sharing of the resources;
- Access to alternative resources or functional substitutes;
- Alternative livelihood activities;
- Health and education benefits;
- Obtaining employment, for example as park rangers or eco-tourist guides; and
- Technical assistance to improve land and natural resource use.

E. Conflict resolution and complaint mechanism. The Framework should describe how conflicts involving affected persons will be resolved, and the processes for addressing grievances raised by affected communities, households or individual regarding the agreed restrictions, criteria for

eligibility, mitigation measures and the implementation of these elements of the Process Framework.

The roles and responsibilities concerning conflict resolution and grievances of different stakeholders, including the pilot implementing agency, affected communities and relevant government agencies, will be described. The roles of mediation entities or institutions will be described. The procedures should take into account local dispute resolution practices.

F. Implementation Arrangements. The Framework should describe the implementation arrangements. The roles and responsibilities concerning project implementation of different stakeholders, including the grantee, affected communities, and relevant government agencies, will be described. This includes agencies involved in the implementation of mitigation measures, delivery of services and land tenure, as appropriate and to the extent that these are known at the time of project preparation.

Monitoring and evaluation arrangements will also be described in the Framework, with more specific details for the Plan of Action designed during implementation of the BP downstream. The Framework should include a budget for its implementation.

## Annex C. INDIGENOUS PEOPLES PLANNING FRAMEWORK

61. This Indigenous Peoples Planning Framework (IPPF) has been prepared to ensure that the World Bank's Indigenous Peoples policy is applied to BPs. The objectives of the policy are to avoid adverse impacts on Indigenous Peoples and to provide them with culturally appropriate benefits.

62. The Indigenous Peoples policy recognizes the distinct circumstances that expose Indigenous Peoples to different types of risks and impacts from development projects. As social groups with identities that are often distinct from dominant groups in their national societies, Indigenous Peoples are frequently among the most marginalized and vulnerable segments of the population.<sup>19</sup> As a result, their economic, social, and legal status often limit their capacity to defend their rights to lands, territories, and other productive resources, and restricts their ability to participate in and benefit from development. Projects affecting Indigenous Peoples, whether adversely or positively, therefore need to be prepared with care and with the participation of affected communities. The requirements include social analysis to improve the understanding of the local context and affected communities; a process of free, prior, and informed consultation with the affected Indigenous Peoples' communities in order to fully identify their views and to obtain their broad community support to the project; and development of project-specific measures to avoid adverse impacts and enhance culturally appropriate benefits.

### Project Risks

63. Each area and business plan will be rapidly screened to determine whether Indigenous Peoples are present. The IPPF describes the policy requirements and planning procedures that Project Executing Agencies will follow during the preparation of business plans.

64. A number of particular risks are relevant for the type of business plans supported by the current project:

- Customary and Indigenous Peoples' rights. Particular rights of Indigenous Peoples are recognized in international agreements, and for World Bank-supported projects by the Bank's own policy. Such rights may also be recognized in national legislation. Business plans would always need to identify and recognize these rights to ensure that activities are not adversely affecting such rights. This is particularly the case for projects that support the development of management plans and other forms of land and natural resource use planning. Projects that support policy development may also affect Indigenous Peoples' rights.
- Loss of culture and social cohesion. Given Indigenous Peoples' distinct cultures and identities and their frequent marginalization from the surrounding society, interventions may run

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<sup>19</sup> OP 4.10 uses the term Indigenous Peoples to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, social, economic, social or political institutions that are separate from those of the dominant society and culture; and (iv) an indigenous language, often different from the official language of the country or region. Other terms used in different countries to refer to these groups include "indigenous ethnic minorities", "aboriginals", "hill tribes", "minority nationalities", "scheduled tribes", and "tribal groups" (OP 4.10, para 4).

the risk of imposing changes to or disruption of their culture and social organization, whether inadvertently or not. While indigenous communities may welcome and seek change, they can be vulnerable when such change is imposed from external forces and when such change is rushed.

- Moreover, since many indigenous communities' culture and social organization are intertwined with their land and natural resource use practices, changes to these practices may result in unintended and unexpected changes in culture and social organization which may lead to social disruption and conflicts within and between communities and other stakeholders.
- Dependency on external support. Interventions supporting alternative livelihoods and new institutional structures may lead to indigenous communities' dependency on continued support. Indigenous Peoples, for instance, may experience difficulties engaging with the market economy through alternative livelihood activities that they may be unable to sustain, at least on an equitable basis, while foregoing traditional practices. They may also become dependent on new livelihoods that are not sustainable environmentally as well as socially, perhaps because they were developed without due consideration of their social and cultural context. New institutional structures may displace existing structures with both positive and negative impacts typically depending on the level of participation in and control over the process.
- Inequitable participation. The costs (e.g. in time and resources) of participating in project activities such as protected area management activities, monitoring and enforcement, even in cases of co-management, may outweigh the benefits to local communities. Participation design may not include appropriate capacity building (when needed) or take into consideration local decision-making structures and processes with the risk of leading to alienation of local communities or even conflicts with and/or between local communities. Participation design may not include appropriate representation of Indigenous Peoples in decision-making bodies.

## Policy Requirements

65. The level of detail necessary to meet the requirements is proportional to the complexity of the proposed activities under each BP and commensurate with the nature and scale of the proposed BP's potential effects on the Indigenous Peoples, whether adverse or positive. This needs to be determined based on an assessment of BP activities, circumstances of local communities, and project impacts. Minimum requirements for projects working in areas with Indigenous Peoples are identification of Indigenous Peoples and assessment of project impacts, consultations with affected communities, and development of measures to avoid adverse impacts and provide culturally appropriate benefits.

A. Screening for Indigenous Peoples. The World Bank team is required to screen for the presence of Indigenous Peoples early on in BP preparation. The characteristics of Indigenous Peoples mentioned in OP 4.10 will be used as included in the footnote on the first page of this section. If it is uncertain whether local communities can be considered as Indigenous Peoples, the World Bank team will consult with the communities, local NGOs, knowledgeable experts, and government representatives as appropriate.

B. Social assessment. Once it has been determined that Indigenous Peoples are present in the BP area, the the World Bank team assesses the particular circumstances of affected indigenous communities and assesses the project's positive and adverse impacts on them. Again, the level of detail of the assessment depends on business plan activities and their impacts on local communities. If the BP activities are limited and have no or few adverse impacts, this assessment



is mainly based on secondary sources and the EA's own experience working in the area. In larger and more complex BPs, the assessment may be a separate exercise done by the the World Bank team or contracted experts as appropriate and may include primary research. In all cases the assessment will be based on consultations with the affected communities.

The main purpose of the social assessment is to evaluate the BP's potential positive and adverse impacts on the affected Indigenous Peoples. It is also used to inform project preparation to ensure that BP activities are culturally appropriate, will enhance benefits to target groups, and is likely to succeed in the given socioeconomic and cultural context. In this way the assessment informs the preparation of the design of the project as well as any particular measures and instruments needed to address issues and concerns related to Indigenous Peoples affected by the project.

The findings of the social assessment are described in a separate report and reflected in the BP and include:

- A description, on a scale appropriate to the project, of the legal and institutional framework applicable to Indigenous Peoples;
- Baseline information on the demographic, social, cultural and political characteristics of the affected indigenous communities, and the land and territories which they traditionally owned, or customarily used or occupied and the natural resources in which they depend;
- Description of key project stakeholders and the elaboration of a culturally appropriate process for consultation and participation during implementation;
- Assessment, based on free, prior, and informed consultation with the affected Indigenous Peoples' communities, of the potential adverse and positive effects of the project. Critical to the determination of potential adverse impacts is an analysis of the relative vulnerability of, and risks to, the affected indigenous communities given their distinct circumstances, close ties to land, and dependence on natural resources, as well as their lack of opportunities relative to other social groups in the communities, regions, or national societies they live in;
- Identification and evaluation, based on free, prior, and informed consultation with the affected Indigenous Peoples' communities, of measures to ensure that the Indigenous Peoples receive culturally appropriate benefits under the project and measures necessary to avoid adverse effects, or if such measures are not feasible, identification of measures to minimize, mitigate, or compensate for such effects.

C. Free, prior and informed consultation. The implementing agency undertakes a process of free, prior and informed consultation with the affected Indigenous People' communities during BP preparation to inform them about the project, to fully identify their views, to obtain their broad community support to the project, and to develop project design and safeguard instruments. In most cases, this process is best done as part of the social assessment although consultations are likely to continue after its completion.

The extent of consultations depends on the project activities, their impacts on local communities and the circumstances of affected Indigenous Peoples. At a minimum (for projects with no impacts or direct interventions with the indigenous communities), local communities are informed about the BP, asked for their views on the project, and assured that they will not be

affected during project implementation. For projects affecting indigenous communities, whether positively or adversely, a more elaborate consultation process is required. This may include, as appropriate:

- Inform affected indigenous communities about project objectives and activities
- Discuss and assess possible adverse impacts and ways to avoid or mitigate them
- Discuss and assess potential project benefits and how these can be enhanced
- Discuss and assess land and natural resource use and how management of these resources may be enhanced
- Identify customary rights to land and natural resource use and possible ways of enhancing these
- Identify and discuss (potential) conflicts with other communities and how these might be avoided
- Discuss and assess food security and how it might be enhanced through project interventions
- Elicit and incorporate indigenous knowledge into project design
- Facilitate and ascertain the affected communities' broad support to the project
- Develop a strategy for indigenous participation and consultation during project implementation, including monitoring and evaluation.

All BP information provided to indigenous peoples should be in a form appropriate to local needs. Local languages must always be used and efforts should be made to include all community members, including women and members of different generations and social groups (e.g. clans and socioeconomic background). The Project Executing Agency is responsible for the consultation process. If the indigenous communities are organized in community associations or umbrella organizations, these should always be consulted.

D. Indigenous Peoples Plan. Based on the consultation and social assessment processes, project design is refined and particular measures and instruments are prepared to address issues pertaining to Indigenous Peoples. The instrument to address the concerns and needs of Indigenous Peoples is always an Indigenous Peoples Plan (IPP). EAs will review and approve BP specific IPPs and other measures addressing Indigenous Peoples issues. In cases where Indigenous Peoples are the sole or the overwhelming majority of direct project beneficiaries, the elements of an IPP should be included in the overall BP design, and a separate IPP is not required. In this case the pilot application provides more details as to how Indigenous Peoples' issues are addressed during pilot implementation.

The contents of the IPP depend on the project activities and impacts on Indigenous Peoples. A suggested outline is provided below, but few BPs are likely to need such an elaborate plan. The following elements and principles may be included in the IPP, as appropriate:

a) A summary of the legal and institutional framework applicable to Indigenous Peoples in the area and a brief description of the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples' communities, the land and territories that they have traditionally owned or customarily used or occupied, and the natural resources on which they depend.

- b) A summary of the social assessment.
- c) A summary of results of the free, prior, and informed consultation with the affected Indigenous Peoples' communities that was carried out during project preparation and that led to broad community support for the project.
- d) A framework for ensuring free, prior, and informed consultation with the affected Indigenous Peoples' communities during project implementation.
- e) An action plan of measures to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate, including, if necessary, measures to enhance the capacity of the project implementing agencies.
- f) When potential adverse effects on Indigenous Peoples are identified, an appropriate action plan of measures to avoid, minimize, mitigate or compensate for these adverse effects.
- g) The cost estimates and financing plan for the IPP.
- h) Accessible procedures appropriate to the project to address grievances by the affected Indigenous Peoples' communities arising from project implementation. When designing the grievance procedures, the The World Bank team takes into account the availability of judicial recourse and customary dispute settlement mechanisms among the Indigenous Peoples.
- i) Mechanisms and benchmarks appropriate to the project for monitoring, evaluating, and reporting on the implementation of the IPP. The monitoring and evaluation mechanisms should include arrangements for the free, prior, and informed consultation with the affected Indigenous Peoples' communities.