

# Environmental and Social Development Safeguards in the Global Practice Design

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*The main objective of the World Bank Group's environmental and social development "safeguard" policies is to improve the sustainability of projects and programs supported by the WBG—in line with the WBG's twin goals to be achieved in a sustainable manner. The policies are the reflection of international conventions and internationally accepted principles and good practice in project preparation and implementation. Similar principles, supporting the aspirations for sustainable development, are generally reflected in policies in most client countries; however, their implementation is often weak and variable.*

*The establishment of the Global Practices provides an opportunity to (i) strengthen the integration of environmental and social development issues into the design and implementation of projects and programs across all practices, thus enhance the sustainability of these projects and programs; (ii) link work on safeguards with the broader environment and social development agenda; (iii) develop a well networked strong professional cadre of environmental and social development professionals; (iv) optimize the allocation of key experts across locations; and (v) facilitate the generation and transfer of knowledge .*

*This note—prepared in consultation with members of the Environment and Social Development Sector Boards and staff—presents recommendations for addressing key organizational issues related to the management and oversight of safeguard work in connection with the change process, particularly the design of GPs.*

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## A. Division of responsibilities between OS and SD units

### 1. The current system

The current separation of responsibilities for **safeguards compliance oversight (under OS)** and **technical support to projects (under SD)** was decided during SDN integration to reduce real and perceived conflict of interest. Under this arrangement, corporate oversight for safeguard policies is under OPCS; Regional Safeguards Advisors (RSAs) working under OS Directors are responsible for review and clearance of high risk projects (with the possibility of transferring clearance to line managers for lower risk operations); while Environment and Social Development Specialists (working under Environment and Social Development Sector Managers and SD Directors in the Regions) are responsible for technical input to projects through cross support.

Despite significant increase in the pipeline and portfolio of high-risk high-reward projects in many Regions, the number of technical specialists working on safeguards has reduced, while the number of specialists working as part of RSA's teams has grown. This has created an imbalance between the focus on compliance vs. quality enhancement, reduced the ability of managing risk, and blurred the lines of accountability between RSAs and SD units.

In order to better organize the work on safeguards, in almost every Region, the SD units have created safeguard coordination functions in recent years. While RSAs focus on clearance, the SD units deal with the coordination of staff allocation to projects, mentoring of staff, and hands-on trouble shooting, and working on complex operations. Nevertheless, there is room for clarifying accountabilities and streamlining these functions.

## **2. Recommendations for GP design**

***Retain separate clearance function.*** As the GP structure is being designed and the broader change agenda being rolled out, the current model for safeguard function would need to be re-assessed. Responsibilities for quality enhancement and client interface on the one hand, and oversight for compliance with the safeguard policies could be better integrated. One consideration would be to eliminate the separation of the clearance function, and merge it with the GPs (this was the case in the former ESSD structure). However, considering that the current GP model has a strong operational delivery focus, it is useful to maintain an arms-length independent oversight/clearance function separate from the operational responsibility. An independent Safeguards Advisory role is important to ensure that the final submission to the Board is subjected to a credible check-and-balance in applying Bank's Safeguards Policies.

***Redefine the role of Safeguard Advisors.*** The mandate and boundaries of the OS clearance/oversight function would need to be re-visited to focus on clearance of high risk operations and policy guidance, while the oversight/clearance of safeguard compliance for the rest of the operations could be in the GP structure. Lead Specialists in the GPs, under the guidance of designated Associate Directors in the ENRM and Spatial & Social GPs, respectively, could clear lower risk projects. Any duplication of functions (especially on client dialogue and capacity building) between RSAs and the environment and social development units housing technical staff should be avoided.

### **B. Oversight and coordination of work on safeguards**

#### **1. Current System**

Currently, specialists working on safeguards are reporting to SMs responsible for Social Development and Environment, respectively under the SD Directors in every Region. In almost all Regions, there are arrangements within the environment and social development units in SD for the coordination and oversight of the work on safeguards (e.g., in AFR, GH level staff are appointed in both the environment and social development units to coordinate, in EAP, this function is decentralized under the SD managers in the field). These arrangements work reasonably well for the allocation of staff and mobilization of consultants within the scope of the coordinators' mandate (e.g. country/CMU focus in EAP, sub-Regional/Regional focus in AFR and elsewhere), however, it does not facilitate a broader Bank-wide optimization of skill allocation and mobility.

The integration of input to projects from environment and social development specialists happen at two levels: (i) at project level by the TTL (which is not likely to change); and (ii) at RSA level through a common safeguards review and clearance.

#### **2. Recommendations for GP design**

***Assign leadership for sustainability and safeguards within the ENRM and Spatial & Social GPs.*** The mandate of the relevant GPs (ENRM and Spatial & Social) housing specialists working on safeguards needs to be strengthened and supported. One of the Associate Directors could be assigned responsibility for overseeing, among other cross-cutting agendas, the implementation of workprogram on safeguards. Under the Associate Director, Lead Specialist(s) could be assigned primary responsibility (globally) to advice teams, trouble shoot, develop training and mentoring programs, and connect teams to learn across. The cross-Regional deployment of specialists and identification of outside experts would be part of the mandate to ensure that appropriate skills are available.

***Ensure coordination between social development and environment GPs.*** The current coordination at the project level under the TTL, and at the level of RSA would remain. In addition, a mechanism of collaboration between the two GPs (ENRM and Spatial & Social) could be established, and specific accountability for coordination between the Associate Directors in both GPs established.

## C. Funding of work on safeguard coordination and cross-support

### 1. Current System

Following the move of safeguard clearance function to OS units, only RSAs received off-the-top funding for their review and clearance function (which they were supposed to partially contract back to SD, however, in reality this did not happen), while the technical specialists in SD working on safeguards have been financed by respective projects based on cross-support for which request often come on an ad-hoc and unpredictable manner. The pay-as-you-go cross-support has also led to unpredictable budget for the environment and social development units which, together with fix cost ratio targets set for units with their own deliverables, led to a gradual erosion of the expert base both in environment and social development. The coordination among various sectors; and the recruitment, mentoring, and assignment of staff to projects have unintentionally suffered in most Regions due to lack of funding for this “public good” function. By solely relying on funding from projects, most specialists working on safeguards also miss out on providing more strategic support to clients, e.g. by upstream work (such as working on improving client capacity beyond the project life; working on environmental policy and regulations etc.).

The model where dedicated budget is only allocated to RSAs, while units providing the technical work are only paid for cross-support focuses unevenly on review and clearance compared to facilitating the client to deliver a good quality environment and social assessment, and support during implementation to improve effectiveness. It has also led to duplication or lack of clarity between the sector units and RSA in many Regions, particularly in engaging client in dialogue for capacity building and improving compliance within a country.

In recent years, several Regions have recognized the need for better funding the safeguard mandate of environment and social development units. There are different models, e.g. in AFR, these units get off-the-top funding for their “public good” function (coordination, mentoring of staff, development of database of projects and staff assignments, training, engagement of consultants, etc.), in LCR, there is upfront financing for all safeguard work.

### 2. Recommendations for GP design

*Allocate off-to-top budget for work on safeguards to sub practices within the ENRM and Spatial & Social GPs.* First priority it to ensure that the “public good” functions (coordination, mentoring, training etc.) are covered. Second, a more predictable budgeting system would need to be developed to ensure planning and appropriate staffing levels. Off-the-top budget allocation based on SW coefficients could be considered with specific responsibility for ensuring that appropriate level and composition of expertise are available to work on projects. This will allow “*planning and delivering*” of the entire suit of safeguards cross support through a system of budgeting and cost control. We are proposing a full off-the-top funding of safeguards cross support. The off-the-top budget could be allocated within the GPVP after consolidation of WPAs. Any shortfall/surplus in the budget/quality of cross support could be assessed at mid-year. The following table indicates a possible coefficient that be used to assess the cross support need for environmental specialists.

Category	Preparation	Supervision
A	5 weeks	4 weeks
B	3 weeks	2 weeks
FI	4weeks	4 weeks

***Apply risk-based approach to using staff and consultants.*** Given a significant gap that currently exists in every Region between demand and supply of technical staff working on safeguards, a combination of Bank staff and external consultants would need to be deployed based on a risk-based approach. The cost of screening, engagement, and quality control of external experts' work would need to be covered as part of the off-the-top budget covering "public good" service. The upfront budget of specialists is expected to allow specialists to provide an independent and candid feedback to the management about safeguards policy compliance and quality aspects.

## **D. Other issues**

There are several other issues to be addressed in connection with the broader change and reform process which this note is not addressing. These include:

- Aligning and enhancing the skills, instruments, and support mechanisms to respond to changing requirements under the Safeguards Policy Reform.
- Creating a platform for strengthening upstream analysis and focus on client capacity enhancement to shift our focus to development outcomes and sustainability.
- Strengthening the framework for systematic staff training building on recent efforts such as the environmental safeguard accreditation training.
- Developing a plan for enhancing incentives and career development options for staff working on safeguards.

# Diagnostic

November 12, 2013

- **Manpower.** Safeguards are required for approximately **133.5 billion dollars** (51.5 for Category A; 82 for Category B) out of the 175 billion dollars on the books.
  - Ensuring the provision of safeguards to these projects is a corporate priority, because without safeguards projects cannot go to Board or be implemented.
  - **Jim Kim** wants preparation time to be shortened by 1/3 and implementation results to be improved. This brings heightened focus to safeguards.
  - ENV safeguards support delivered to Task Teams is approximately **90 MY** out of the **120-140 MY** required under our current safeguard policies.
  - Because of the shortage, most safeguard resources are allocated to project preparation, to get projects on our books, and less on supervision to improve results.
  - Every **MY** of safeguards support covers over **one billion dollars** of Bank business.
  - The aggregate is equivalent to 1/3 of the 280 staff mapped to the ENRM practice.
- **Skills.** Judgment, experience, problem solving and interdisciplinary knowledge are the skills most needed for safeguards. It is about dealing about linkages and externalities between the project and other sectors. Safeguards work is more often more difficult and requires better people skills than normal sector work.
  - Technically specialized Environment or NRM specialists are not necessarily good safeguards specialists.
  - Many are not familiar with the policies and few have done comparable work before coming to the Bank.
  - Many Bank staff avoid safeguards work, because career progression depends on delivering projects to the Board.
  - Safeguards work in the Bank has been juniorized or outsourced.
  - Often safeguards becomes box ticking rather than problem solving or advising on, alternatives, technical options, offsets or opportunities.

## Dedicated ENV Safeguards Specialists

	# of persons involved in environmental safeguards	E	F	G	H	ETC	STC
<b>AFR</b>	29		1	4	2	2	2
<b>EAP</b>	44	1	5	2		2	9
<b>ECA</b>	15		2	6			
<b>LAC</b>	35		2	3	1	4	2
<b>MNA</b>	14		1	1			
<b>SAR</b>	38		6	2	1	4	8
<b>TOTAL</b>	<b>175</b>	<b>1</b>	<b>17</b>	<b>18</b>	<b>4</b>	<b>12</b>	<b>21</b>
<b>Others</b>	28	3	4	7	8		2
<b>IFC</b>	80	2	14	45	18		12

**52 MY** is provided by dedicated environmental safeguards staff, including 12 STCs.

- 17 F level (out of 103 in regions)
- 18 level G (out of 61 senior environment specialists in regions)
- 4 level H (out of 13 level H in regions)

**12 MY** is provided part-time across 60 specialists

**25 MY** is provided by a collection of 60 STCs

In summary, Bank staff as a group cover less than **50% of corporate safeguard needs**.

Another 20% is provided by STCs, including many retirees.

### **We need more staff dedicated to environmental safeguards, and more staff professionally qualified in safeguards**

- **Accountability.** There is currently no explicit accountability for the delivery of safeguards or no overview for the safeguards practice in the Bank. This is something to think about as we move to the Global Practices.