

Stakeholder Consultations in Investment Operations

Guidance Note

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Why Consultations?

Stakeholder consultations are a necessary step to obtain the views of people who may be affected by development projects or may otherwise have an interest in their outcomes, and to inform them about changes that could affect them. Such feedback assumes greater significance in the case of people who may be adversely affected. Since these stakeholders usually do not have a direct role in decisions about projects that affect them, consultations are an important mechanism to ensure that their concerns are taken into account while these decisions are made. In many cases, consultations are not only an important part of an effective development process, they may also be required by Operational Policies and Bank Procedures (OP/BP) applicable to projects supported by the Bank.

Well-conducted consultations provide project affected people with a clear understanding of how the project, and the changes it will bring about, will have an impact on them, as well as meaningful ways to influence decision-making during project design and preparation. They include clear channels for communications with project agencies throughout preparation and implementation as well as transparent mechanisms for redress during

project implementation. Consultations with project stakeholders contribute to identifying the full range of project impacts, help identify and design measures to mitigate negative impacts and elicit suggestions to enhance project benefits.

When done properly, consultations can make a significant contribution to increasing the development impact and sustainability of development projects. Apart from the requirements of due process, there is evidence that well conducted consultations improve project design and implementation. Participatory processes and citizen involvement add value, increase sustainability and build support for projects.

Consultations help identify opportunities and risks from and to a project: They can provide additional information that task teams and Borrowers may not always be able to foresee. By anticipating a project's potential problems, consultations can help reduce the risk profile (delays, legal disputes, and negative publicity), lead to cost savings, and enhance the social benefits to local communities. Consultations help build local capacities and foster ownership, which are crucial elements of project sustainability. Consultations

also help identify and address risks “to a project” by identifying potential negative impacts that may threaten the implementation and sustainability of the project, and by providing a platform for stakeholders who may be opposed to a project, by taking their views into account in project design and implementation.

Many World Bank OPs require consultations:

Consultations are the primary tool to promote participation of stakeholders in the process of project design and implementation, and disclosure of information is a key prerequisite for ensuring effective consultations. Consultations, participation, and disclosure are directly addressed by three of the World Bank’s social and environmental Operational Policies: *OP 4.01, Environmental Assessment*; *OP 4.10, Indigenous Peoples*; and *OP 4.12, Involuntary Resettlement*.¹ Several other policies, such as *OP 4.11, Physical Cultural Resources*, *OP 4.36, Forests*, *OP 4.04, Natural Habitats* and *OP 4.00, Piloting the Use of Borrower Systems*, also underscore the need for consultations. Finally, *The World Bank’s 2010 Policy on Access to Information* establishes that as a development institution, the Bank strives to be transparent about its projects and programs (particularly with groups affected by its operations), to share its global knowledge and lessons of experience with the widest possible audience, and to enhance the quality of its operations by engaging with a broad range of stakeholders.²

1. OP 4.01, Environmental Assessment establishes that “For all Category A and B projects proposed for IBRD or IDA financing, during the EA process, the borrower consults project-affected groups and local nongovernmental organizations (NGOs) about the project’s environmental aspects and takes their views into account”. OP 4.10, Indigenous Peoples states that “For all projects that are proposed for Bank financing and affect Indigenous Peoples, the Bank requires the Borrower to engage in a process of free, prior and informed consultation.” OP 4.12, Involuntary Resettlement requires displaced persons to be “(i) informed about their options and rights pertaining to resettlement; (ii) consulted on, offered choices among, and provided technically and economically feasible resettlement alternatives.” (World Bank. 2008. Good Practices in Latin America and the Caribbean: Rights and Participation – Citizen Involvement in Projects Supported by the World Bank. August 2008. V.2 Number 1. p.3).

2. To download the Bank’s Policy on Access to Information please visit http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/06/03/000112742_20100603084843/Rendered/PDF/548730Access011y0Statement01Final1.pdf

Purpose of This Guidance Note

Various reviews have pointed out the need to improve consultations in Bank projects. Project and portfolio reviews carried out by the Quality Assurance Group (QAG), the Independent Evaluation Group (IEG) and the Inspection Panel have all called for improving the quality of consultations carried out in Bank projects.³ Noncompliance with Bank policy requirements on consultation and disclosure of information has proven to be one of the recurring problems found in Inspection Panel requests in the past 15 years.⁴ In several recent investigations, the Panel identified lack of compliance with the provisions of the Bank’s policy on Involuntary Resettlement on consultations with affected people during the preparation of a resettlement instrument. Reviews of compliance with the Bank’s policy on Indigenous Peoples have also revealed shortcomings with respect to consultations with affected populations. Based on these findings, the Panel emphasizes the “critical need to ensure that the necessary, meaningful consultations with, and information disclosure to the affected people take place, in a manner that is both timely (before final decisions are made) and understandable (using local languages, and turning complex project information into layman’s language).”⁵ QAG and IEG reports have also emphasized the importance of effective consultations for improved project design and implementation.

There is need for clear guidance on the practical, “how to” aspects of consultations.

While consultations are both required and useful to promote better development outcomes, there is lack of clarity among Bank staff and Borrowers

3. World Bank. 2009. *The Inspection Panel at 15 Years*. Washington, DC: World Bank.

4. “In the Cambodia Forest Concession Management and Control Pilot Project, for example, the Panel found a failure to consult, during project design, with affected people living in or near forest areas, which resulted in a lack of understanding of their concerns and of the potential impacts the project would have on both the people and the forest environment. Similar shortcomings occurred in the DRC forest-related projects and the Pakistan National Drainage Program Project.” *The Inspection Panel at 15 Years*, p. 72.

5. *The Inspection Panel at 15 Years*, p. 72.

on the practical aspects of consultations, and on the respective role of the Bank and the Borrower in promoting adequate consultations. While there are many general guidelines on participation and consultations, the current Note is addressed primarily to task teams to help them understand the process of consultations and clarify their role and responsibilities in that process. By describing consultation-related steps at each stage of the project cycle, this guidance should enable task teams to determine the adequacy of the process at any stage in the project. It also outlines key consultation-related requirements in select safeguard policies.

The Guidance Note is organized in four sections, as follows:

1. The process of consultations (design and implementation) which is the Borrower's

responsibility, with support from the Bank. The section covers key issues in the consultation process, which include: who needs to be consulted, the preferred modes of consultations in different settings, their timing and venue, documentation and dissemination of the results of consultations, and their links to project design and implementation;

2. The role and responsibility of the Bank in the consultation process;
3. The various consultation-related steps at each stage of the project cycle; and
4. Operational policy-specific issues and actions.



The Process of Consultations

The primary responsibility for designing and conducting consultations rests with the Borrower, as consultations are an important part of the design and implementation of development projects, of which the Borrower retains primary ownership. The Borrower's designated agencies carry out detailed planning for different parts of this process, and conduct the actual consultations. They are often assisted in this process by consultants, and the Bank task team provides oversight as well as advice and guidance based on international good practice.

Depending on the scope and context of a project, consultations can take place as part of an Environmental Assessment, a Social Assessment, an integrated Environment and Social Assessment, or as part of preparation of any planning instruments required in a project under Bank policies, such as a Resettlement Plan or an Indigenous Peoples Plan. However, consultations on a specific aspect of project design or implementation may also be carried out outside the scope of any of the above assessments and instruments.

The Borrower needs to address the following issues in designing the consultation:

- a. What are the issues on which there needs to be consultation?
- b. Who should be consulted on these issues?
- c. What form should the consultations take?
- d. What are the appropriate locations for conducting consultations?
- e. What is the appropriate timing / schedule for conducting consultations?
- f. How will the consultations be documented, and their results disseminated?
- g. How will the results of consultations be reflected in project design and implementation?

It is important that the scope and design of the consultations proposed by the Borrower, as captured by the above questions, be reviewed by the Bank task team prior to conducting the consultations, to ensure its adequacy.

The following sub-sections address each of the above issues.

What are the issues which need to be consulted upon?

The scope of the consultations is based on the scope of the project and the potential impacts, risks and opportunities associated with it. The scope and scale of a project's impacts are derived from a combination of the type of impacts and the location of incidence. For example, a highway project may have significant impacts both on the local environment (e.g., degradation or conversion of natural habitat, increased noise and air pollution levels) and on local people (e.g., loss of productive land and assets, loss of connectivity between communities, changes in the value of the property affected, etc.). Prior knowledge of such potential impacts helps in defining the scope of the consultations and in identifying relevant stakeholders for consultations. A well conducted consultation process incorporates the following:

1. **Identification of impacts:** Consultations can help identify additional impacts from the perspective of stakeholders. Consultations are also useful in identifying mechanisms to enhance positive impacts and manage and/or mitigate the adverse impacts:
 - a. *Negative impacts.* While direct negative impacts are easy to identify through technical studies, additional, indirect impacts may not be. For example, physical relocation due to a road project is a direct impact but impact on livelihoods due to a change in the local economy caused by rerouting of the road is an indirect impact. Such impacts are often identified through consultations with stakeholders.
 - b. *Positive impacts.* Likewise, a project may have direct and indirect positive impacts. A positive direct impact takes place when the people in the project area receive a direct benefit from the project, while an indirect impact is more remote or less tangible. For example, a direct positive impact takes place when a water supply and sewerage project provides clean drinking water and improved sanitation while its indirect positive impacts might include a decline in water-related illnesses, improved water quality and ecological benefits etc. Consultations can help identify potential indirect positive impacts, and also ways to enhance such impacts through changes in project design.
 - c. *Cumulative Impacts.* Consultations are an important mechanism to identify cumulative environmental and social impacts that may not always be identified through technical studies. For example, if a project involves expropriating land from people living in a number of communities in close proximity, with the provision that they can purchase alternative land with the compensation provided, consultations could reveal problems with this resettlement model relating to potential unaffordable increases in the price of available replacement land, or to conversion of valuable forest resources in the area to agriculture due to scarcity of replacement land.
 - d. *Other impacts.* Certain types of impacts are relevant to stakeholders but are difficult to identify and quantify. Frequently, these relate to cultural attachments, religious beliefs, traditions and perceptions. Cultural attachments and religious beliefs should be understood in order to be properly addressed. The same relates to perceptions regarding architectural values, or the effects of modern technology such as, for example, enabling internet access in areas that did not have such access prior to a project. Consultations are a valuable tool to gather peoples' views and perceptions about such impacts. Consultations can also help identify legacy issues that exist outside the Bank-supported project, including those resulting from a Bank-supported project that is closed or that are exclusively financed by the government or other donors. In such cases, potential impacts go beyond

the direct or indirect impacts from the proposed project. For example, inadequate compensation might have been paid for land acquired to build a dam upstream of one currently being financed by the Bank. These cases call for special attention, and may require consultations with different sets of stakeholders who may or may not be affected by the proposed project. However, the extent to which the proposed project would be able to address legacy issues should be clearly communicated to stakeholders at the outset of consultations so as not to raise any unreasonable expectations on their part.

- 2. Potential project design alternatives:** A recurrent theme is whether the project examined a reasonable set of alternatives, including the so-called “no-action” alternative as

prescribed in the Bank policy on Environmental Assessment our under the Involuntary Resettlement Policy which promotes the avoidance of resettlement. Whenever feasible, different design alternatives should be clearly presented in stakeholder consultations, along with their pros and cons, and the reasons for proposing any preferred options. The views and suggestions of stakeholders need to be taken into account while selecting the design option. For example, the Environmental Assessment needs to describe the reasons for selecting the chosen option, along with the issues and concerns raised by stakeholders in consultations and how they have been taken into account while making decisions about project design, even if the decision made may not always reflect the preferences expressed by stakeholders.



3. *Improvement of project design and mitigation of adverse impacts:*

The desired outcome from well defined and executed consultations is an improved project design with enhanced benefits, reduced adverse impacts and adequate mitigation measures. Enhanced project benefits may include various options – from introducing changes in project scope (e.g., in the case of an urban sewerage project, consultations during the Environmental Assessment preparation lead to introduction of an exclusive sanitation component for low-income settlements), to changes in project design (e.g., mechanisms for benefit sharing – such as sharing the revenue from a mining or hydropower project). With regard to mitigation of adverse impacts, it is important that every identified impact have a corresponding mitigation measure, either in the form of a change in project scope/design or a stand-alone mitigation measure or, if necessary, a clear justification as to why mitigation is not possible. In some cases, the proposed project design may be the best technical option and the most cost-effective one, and it may not be feasible to address its indirect impacts. For example, loss of revenue to roadside vendors when a new road diverts traffic away from an existing road is an indirect impact of a project and is likely to be very difficult to mitigate. However, it is important to explain this in project documents as well as in the documentation on consultations.

4. *Design of institutional arrangements:* Local stakeholders and agencies may often provide useful advice on project implementation arrangements, including the use of local and traditional institutions. This not only enhances project ownership but is also likely to mitigate any potential disputes during implementation and to promote sustainable outcomes.

5. *Consultations during implementation:* Many projects undergo changes during implementation. Consultations need to be carried out on the revised scope of design and

proposed implementation. For projects where components with significant adverse impacts are implemented late in project implementation, it is important to ensure that consultations with stakeholders are held with the same rigor and diligence as those that were undertaken during preparation. This is also important for projects that have environmental and social frameworks prepared for subprojects during project preparation, where specific impacts are only identified during implementation. In such cases, project documents need to describe institutional arrangements and budget provisions to carry out the consultations required during project implementation.

Who are the key stakeholders who need to be consulted?

1. *Who represents the stakeholders?* A question often arises as to who are the legitimate representatives of directly affected stakeholder groups, and whose views should take precedence in stakeholder consultations. Good practice suggests that as long as stakeholder groups are offering a perspective that is relevant to the project, there is no need to determine whether these stakeholder groups are the main representatives of the stakeholders or not. Such perspectives and suggestions from stakeholder groups should be taken into account based on their merit and not on who is making the suggestions. However, it is important to ensure that particular attention is paid to views and suggestions of stakeholders who are directly affected by a project, either negatively or positively. Also, it is important to note that adversely affected stakeholders need to be contacted directly with respect to decisions that pertain to mitigating impacts, regardless of who represents them. The following sections describe the different types of stakeholders to be identified for the purpose of consultations. Depending on the type of issues and interests of various groups, the Borrower may be required

to organize several consultations in different locations.

2. **The key stakeholders**, identified on the basis of a stakeholder analysis carried out by the Borrower as part of the consultation design process, normally include the categories described in the following paragraphs. It is important that groups that are considered vulnerable in the development process be clearly identified as part of the stakeholder analysis so that the consultation process can ensure that their views and suggestions are adequately taken into account.

a. *Project affected people (PAPs) adversely affected by impacts or issues covered by the Bank safeguard policies.* As mentioned above, several environmental and social safeguard policies have mandatory consultation requirements, particularly in identifying potential adverse impacts and in defining measures to mitigate them. These PAPs

include, for example,; (i) people whose land is expropriated; (ii) people who need to physically relocate to a new location, (iii) people whose livelihoods need to be reestablished; (iv) Indigenous Peoples whose culture and lifestyle, as well as relationship with the land and natural resources on which they are dependent, are affected as a result of the project; (v) people whose access to natural resources is affected; and (vi) people who will face increased pollution, health impacts or inconvenience during construction.

b. *PAPs who may suffer adverse socio-economic impacts as a result of the project and are not covered by Bank safeguard policies.* These include, for example, people who may lose their jobs as a result of sector reform or enterprise restructuring in the mining sector, or people who face unemployment due to closure of polluting enterprises. People whose businesses are temporarily

FIGURE 1. KEY STAKEHOLDERS IN PUBLIC CONSULTATION

Adapted from IFC, “Doing Better Business Through Effective Public Consultation and Disclosure.” Section A. Page 3.



affected during construction activities related to urban transport or upgrading are another example of this category of affected people. There may also be people who suffer permanent economic impacts, but indirect from the perspective of the Bank's policies, due to re-routing of traffic away from their businesses as a result of a transport project that constructs a bypass or a new road.

- c. *Intended beneficiaries of the proposed project.* It is important to consult beneficiaries of a project in order to enable them to give comments and suggestions on project design. Often such consultations can result in significant increase in project benefits. Examples are users of education or health facilities that are being improved in a Bank assisted project. Their feedback on how "access to" and "quality of" such services can be improved can help make significant design and implementation improvements in a project. Similarly, the design of projects that support policy or institutional reforms, such as introduction of water or electricity tariffs or construction of toll roads etc., benefits from understanding the concerns and views of affected people and other stakeholders.
- d. *Key interest groups* (e.g., trade unions, academics, professional organizations) *who are known to have views on issues being addressed by the project.* There are often professional organizations which either have a direct stake in the project, that is, they may be directly affected by project outcomes, or they may have a professional interest in the issue(s) being addressed by the project. A good stakeholders' analysis will identify such organizations. Such interest groups can play an important role in shaping the views of some of the directly affected stakeholders, or in otherwise influencing project implementation. Therefore, it is important to consult them during both project design and implementation.

- e. *Local NGOs/CSOs interested in the issues addressed by the project.* Such organizations are often the spokespersons for directly and indirectly affected people and are well informed about the Bank and the sector(s) in which they operate. Very often, such NGO/CSOs are more vocal on project issues than the directly affected stakeholders themselves. Thus, special outreach should be made to such organizations, and they should be included in different forms of consultations carried out in a project.
- f. *Depending on project scope and magnitude, international NGOs.* Some projects and issues draw the interest of international NGOs, which can play a significant role in shaping international public opinion on these projects. It is important to engage such international NGOs even if they are based far from the geographical location of the project.
- g. *Local and provincial governments participating in the project.* Many projects are designed and coordinated by federal level Borrower agencies, but implemented by local and provincial governments. In such projects, it is particularly important to also include the representatives of such governments in the consultation process so that they can understand the issues raised by various stakeholders and respond to local issues and concerns related to the project. Unless the local government agencies with the primary responsibility for implementation are involved in the consultation process, they will not be able to respond adequately to these issues during implementation.

What form will the consultations take?

- 1. *The form of consultations will depend on the profile of people who are being consulted:*** There are several ways to

conduct consultations, which include: (a) public hearings or meetings; (b) focus group discussions with particular types of stakeholders – for example, people who need to be resettled, members of an indigenous group, trade union members, etc.; (c) household surveys with structured questionnaires, and (d) electronic consultations. The particular method selected for consultations will depend on the topic, the education levels of people being consulted, whether precise information on how many people have what opinion is required to be tabulated, local tradition, familiarity of the people consulted with electronic media, etc. Focus groups can be an important tool for consultation to elicit the views of specific types of stakeholders, but care should be taken to ensure that other stakeholders do not feel excluded. It is important to inform them about other avenues for consultations that will be available to them. Often public meetings with a broad range of stakeholders are combined with focus groups formed by specific categories of stakeholders such as women, indigenous groups, youth, etc, in order to identify particular issues and concerns that might not be adequately identified and discussed in a larger meeting. Household surveys should be conducted when the precise impact on each household needs to be identified for the design of mitigation measures, for example in a situation requiring land expropriation, physical relocation or livelihood restoration of people affected by a project.

2. ***The form of consultations may be prescribed by local legal requirements:*** Sometimes the national or local environmental (or other) regulations may prescribe specific ways in which people need to be consulted. In such cases, the task team needs to make a determination whether additional forms of consultations are necessary to ensure that all key stakeholders are meaningfully consulted. The time required to comply with local legal requirements is a factor that needs to be taken

into account while determining the timeframe for processing the project.

3. ***Consultations should be initiated and managed by the Borrower:*** Local governments often play a key role in conducting consultations, and should also be present. In certain cases, particularly in sensitive projects, the Bank should attend consultations as an observer, but make it clear at the outset that the primary decision-making related to the various design aspects of the project remains with the Borrower.
4. ***Public hearings may be the preferred method when consulting on issues of mutual interest to a large number of stakeholders:*** Public hearings have the benefit of enabling consulted people to reflect on the views of others who are affected in ways similar to them. However, vocal participants do tend to dominate public hearings, and it may be harder for minority views to be expressed in large meetings. It is important to ensure that all directly affected stakeholders have an opportunity to participate in the public hearings. The means of notifying people about the public hearings should be chosen to ensure that all key stakeholders are adequately notified. Those who are directly affected should be informed either through personal mail (with delivery certification) or through multiple announcements in public places in the vicinity of their place of residence and work. The notification of consultations should be made sufficiently in advance of the date of the consultations so that people have adequate time to make arrangements to attend.
5. ***Establish mechanisms through which stakeholders can convey comments and suggestions:*** In addition to public hearings and other one-off events to solicit the views of stakeholders, other more durable mechanisms should also be established, which can be accessed by stakeholders at any time during the preparation stage of the project to register



their views and suggestions. Information regarding the existence of such mechanisms and how to access them should be communicated to stakeholders during public hearings and through public media.

6. *Should consultations be confidential?*

Normally, consultations should be held publicly and in the most transparent manner by the Borrower. However, whenever deemed justified, particularly for safety reasons, including in the case of groups who are strongly opposed to a project, consultations may need to be held by the Bank on a confidential basis. While not disclosing the names of those that have requested such consultations, the Bank should make its counterparts aware that issues may be brought to their attention by the Bank through means other than the regular, open consultation procedures. Confidential consultations should be handled with sensitivity and properly documented for the files.

7. *Consultations with stakeholders strongly opposed to a project:*

In some rare cases, some stakeholders may not agree to participate in public consultations due to their strong opposition to the project. However, it is important to give such stakeholders an opportunity to communicate the reasons for their opposing views to the Borrower and other entities involved in making decisions about the project. Written communication, if possible with proof of delivery, should be sent to such stakeholders, containing information on the project and its impacts, the proposed mitigation and development measures, and information on the form and manner in which the stakeholders can register their views and suggestions with project agencies. Such communication can sometimes help initiate a dialogue with the opposing stakeholders, identify the detailed reasons for their opposition, and at a minimum prevent them from subsequently claiming that they were not approached with information about the project. The Bank and the Borrower

agencies should carefully assess the reasons for the opposition offered by these groups, as well as the project's impacts on them, and take these into account in making decisions regarding the project and the design of mitigation measures to address impacts.

- 8. Focus groups are extremely useful to obtain the views of different categories of stakeholders:** When there are various categories of stakeholders differentiated by the type of impact, the characteristics of the group, or their location – for example, displaced people, temporarily or partially affected people, people affected indirectly, women, youth, people with disabilities, affected people in different neighborhoods – it is important to have focus groups for these categories in all project locations and not just some of them. For example, if a project affects a dozen neighborhoods due to noise pollution or increased traffic, consultations with one or two of them cannot be deemed to adequately cover the issues and concerns of all affected neighborhoods; focus groups or public meetings need to be held in each one of them so that all affected people at least have an opportunity to participate and express their views. Focus groups are also very useful when some of the stakeholders, especially the more vulnerable, are not likely to be able to express their views openly and freely in large public meetings.

Where should the consultations be held?

- 1. Consultations should be held as close to the place of residence of the directly affected stakeholders as possible,** at venues that are well known (so that there is no confusion on the location of the consultations) and well connected by transport facilities.
- 2. If consultations need to be held at some distance from some stakeholders, transport needs to be provided to and from the location,**

with clear advance information about how to take advantage of the transport facilities offered.

- 3. Special arrangements may need to be made for the transportation of women, the elderly and other vulnerable groups:** In some socio-cultural settings, women may need to be transported separately. Elderly and other vulnerable groups may need special assistance in reaching the consultation location.
- 4. The location needs to be perceived as safe by participants:** This may be an issue in areas that are suffering from conflict or in situations where the project itself is very contentious and people are concerned about their security due to intimidation by some stakeholder groups.
- 5. The venue should be adequate in terms of size, facilities, acoustics and lighting:** All participants should be seated comfortably at the venue and it should be easy for them to listen to and participate in the discussions.
- 6. In projects spread over large geographical areas, consultations should be held at several places, to ensure all stakeholders are given an opportunity to attend:** Large hydropower projects or transport projects in multiple provinces/states, for example, need to hold consultations at several places. They should preferably be held all within a short interval of time so that there is minimum scope for misinformation about the project or its impacts, due to distortion of messages from one location to another. It is important to ensure that all directly affected stakeholders are offered an opportunity to participate in the consultations.

When should the consultations be conducted?

- 1. Consult when the design options, potential impacts or changes in implementation are known:** During project preparation, there is no fixed prescription as to when consultation

HOW TO MAKE PUBLIC CONSULTATIONS EFFECTIVE

Public consultations need to be properly structured and well managed: For public hearings to constitute an effective form of consultation, it is advisable to do the following:

1. Explain the objectives of consultations, rules of participation, and proposed follow up at the beginning of the meeting.
2. Manage expectations of the participants and clearly explain what the consultations can and cannot influence. Be clear that the consultations are intended to take different stakeholders' views into account, and are not intended to generate a consensus.
3. Agree on the agenda for the consultation at the very beginning and invite participants to comment on it.
4. Provide advance information to key stakeholders in a form and language that can be understood by them. Any brochures that are printed need to be written in a manner that is comprehensible to the stakeholders being consulted. When many of the stakeholders are not literate, it is important to spend significant time at the consultation meeting explaining the project and its relevant aspects to them in a language they can understand. This is especially the case for any Indigenous People who are among the stakeholders for a project. Accurate and easily understandable information provided prior to, as well as during, the consultations is essential. Leave brochures at the venue for consultations for people to take with them.
5. Provide sufficient time for people to express themselves – don't cut short the discussion due to time constraints. Truncated meetings give rise to discontent and dissatisfaction, so it is important to ensure adequate time for all stakeholders to express themselves. Understand that some people may be intimidated or afraid to speak out, especially if they are perceived as being critical of the government.
6. Manage the discussion by using people with the right moderation skills.
7. Don't allow one or a few stakeholders to dominate the discussion. Moderate this by making sure everyone is given a chance to speak.
8. Hire professional, neutral facilitators, whenever possible.
9. Assess the need for translation and interpretation.
10. Ensure people feel safe participating in consultations: Security can often be a concern of the participants, especially in areas with security issues or in project contexts that may be contentious.
11. Use open meetings and focus group discussions for rural, semi-literate people, so that project details and potential impacts are clearly explained to the participants in simple language, as opposed to just a distribution of written information and/or individual meetings.
12. Make special efforts to ensure that vulnerable or potentially reticent groups – women, lower castes, people with disabilities – are consulted in settings where they can express their views openly.
13. For urban and / or highly literate populations, supplement face to face consultations with electronic outreach: Public meetings are still very important in urban situations, as they allow interface with Borrower agencies and local governments and facilitate understanding of project scope, scale and impact on different stakeholders. In electronic consultations, it is essential to clearly explain the mechanism for registering stakeholder comments and feedback.
14. Conclude the meeting by reiterating how the comments and suggestions received are proposed to be used: Stakeholders should also be advised about how, when and where they will be informed about how their views have been taken into account.

should take place. Good practice recommends consultations to be initiated as early as possible, and certainly when key elements of project design and associated impacts are identified. The earlier the consultations are held, the more useful they can be to influence project design. During project implementation, it is advisable to consult periodically to communicate project progress to key stakeholders and obtain feedback from them. In addition, consultations should be organized when there is a request to have meetings or when there are changes in project design leading to different or new types of impacts.

2. **Consult as part of preparation of safeguard and other instruments:** Consultations need to be held as part of the preparation of the Environmental Assessment (EA), Social Assessment, Resettlement Policy Framework, Resettlement Action Plan, Indigenous Peoples Framework, and Indigenous Peoples Plan. For projects in Environmental Category A, consultations with stakeholders should also be held on the draft Terms of Reference (TOR) for the EA, to help determine the scope and coverage of the EA. Good practice suggests that consultations on key design features of the project, including on any draft safeguard policy instruments, should take place at least 60 days prior to project appraisal. In any event, consultations need to be held to enable them to influence the design of mitigation measures proposed in the environmental and social mitigation plans.
3. **When do consultations end?** Most intensive consultations take place during project design, but some forms of consultations continue into implementation. The need for further consultations during implementation should be discussed with various stakeholders and decided in consultation with them. For projects in which investments are not specifically defined during project preparation, consultations need to take place during project implementation, and need to be held as soon as design options

are ready (also see paragraph I.A.5 above).

4. **Consultations in complex projects:** For projects with impacts involving complex mitigation measures, such as those involving choice of resettlement sites and alternative livelihoods, consultations need to be held as a process, with several rounds of discussions with the displaced people and their representatives. This should continue during project implementation.
5. **Consultations in projects where the Bank gets involved at a late stage:** There may be projects where the Bank's involvement starts after project preparation is well underway. In such cases, the Bank should assess the quality and comprehensiveness of the stakeholder analysis and consultations that have taken place prior to Bank involvement, and determine the need for, and the scope and form of additional consultations to be carried out.

Documenting and disseminating the results

1. **A good record of all consultations should be maintained:** For consultations to be useful, they should be very well documented in a language that is understood by the key stakeholders, and a good record of such documentation should be maintained. The record of consultations should describe: (a) key issues discussed; (b) any agreements reached with authorized representatives of any section of stakeholders; (c) the form and manner in which the comments and suggestions received during consultations have been taken into account in making decisions about project design and implementation arrangements; (d) points on which there is disagreement either between different stakeholders or between stakeholders and Borrower agencies; and (e) the reasons why some of the comments made by the stakeholders cannot be accommodated. If there are any issues on which explicit agreement has been reached between stakeholders and

TABLE 1. CONSULTATION PROCESS IN A NUTSHELL

To be conducted by the Borrower (with support from Task Team)

WHAT	<ul style="list-style-type: none"> • Design alternatives • Impacts (positive and negative, cumulative, intangible, legacy) • Design changes • Mitigation measures • Implementation arrangements 	
WHO	<ul style="list-style-type: none"> • Project affected people • Indirectly affected people • Beneficiaries • Interest groups • NGOs/CSOs (local and international) • Local governments 	
WHEN	<ul style="list-style-type: none"> • When impacts are identified (mostly during preparation) and continued during implementation, as agreed during preparation • Sufficiently before project appraisal • Part of preparation of safeguard instruments • For projects where designs are not final at the time of project approval, during implementation • When design changes lead to new impacts (implementation) • For complex projects, throughout implementation 	
WHERE	<ul style="list-style-type: none"> • Close to stakeholders • Transportation if far or for vulnerable groups • Safe place • Multiple locations for large projects • All directly affected stakeholders should have an opportunity to attend 	
HOW	<ul style="list-style-type: none"> • Public hearings • Focus groups • Household surveys • Electronic consultations • Establish project mechanisms to receive comments and suggestions from stakeholders 	<ul style="list-style-type: none"> • Document and disseminate • Reflect results
WHY	<ul style="list-style-type: none"> • Help to identify opportunities and risks • Required by Bank safeguard policies / Borrower regulations • Improve project design / implementation • Increase project ownership and sustainability 	
FOLLOW UP	<ul style="list-style-type: none"> • Document and disseminate results to stakeholders • Reflect results in project documentation 	

WHAT MAKES CONSULTATIONS MEANINGFUL?

To make consultations effective and meaningful the Borrower should:

- Provide relevant information to stakeholders in a form and language they can understand, sufficiently before the proposed date of a public meeting. In the case of other forms of consultations (electronic or by mail), such information should be provided well before the date by which comments and suggestions are supposed to be provided by stakeholders to the project agency.
- Document the overall process, the various consultation events, and the results of the consultations. The documentation should reflect key issues discussed, any agreements reached, and any concerns expressed by stakeholders.
- Discuss, in project documents and in the documentation on consultations, how comments and suggestions made by stakeholders during consultations have been taken into account in project design and implementation.
- Describe and discuss, in project documentation as well as in documentation on consultations, any suggestions from stakeholders that cannot be taken into account, along with the reasons / justification as to why they cannot be incorporated in project design and implementation.
- Disseminate the documentation on consultations, along with details on how stakeholders can register any comments or disagreements on the way the process and results of the consultation process have been documented.
- Respond to any comments and suggestions received, or any disagreements expressed by stakeholders on any aspect of consultations based on their review of the consultation documentation.

Borrower agencies, it is advisable to have the minutes of the consultations signed by key stakeholder and Borrower representatives.

2. **Methods for documenting consultations can vary:** Ways of documenting consultations other than on paper should be considered, such as small video or audio recorders. However, all participating stakeholders should be informed about the proposed methods of documenting consultations, and whether views expressed will be attributed to specific stakeholders. Borrower response to some of the common issues raised by many stakeholders can also be summarized in “Frequently Asked Questions” documents that are disseminated to the stakeholders.
3. **Inform participants how they can access the record of consultations:** During consultations, participants should be informed about how they can access the record of the consultations,

and how their comments and suggestions were taken into account. The documentation on consultations should be available on the website of the project and in the project offices or project information centers.

4. **Any suggestions from stakeholders that cannot be accommodated should be carefully recorded and addressed in project documentation:** Points raised by stakeholders, which the Borrower agencies are not able to accommodate, should be described in the project documents along with reasons as to why they cannot be accommodated.

Reflecting the results of consultations in project design and implementation

1. **Key recommendations from consultations should be taken into account in project design**

and implementation: For consultations to be effective and meaningful, it is important that key messages from the consultations be taken into account in project design and implementation. For this to happen, such results and recommendations need to be conveyed to and deliberated upon by project decision-makers. This does not imply that all comments and feedback received must be addressed. Decision-makers could group the recommendations under the following four categories: (a) issues that can be addressed through changes in project scope and design, and reflected in the basic documentation such as the Project Appraisal Document, Environmental Assessment or Indigenous Peoples Plan; (b) issues that can be addressed during project implementation; (c) issues that are beyond the scope of the project and are better addressed through alternative projects, programs or initiatives; and (d) issues that cannot be addressed by the project due to technical,

jurisdictional or excessive cost-associated reasons.

2. The results of these deliberations are reflected in relevant safeguard and/or project documents, along with a discussion on how the recommendations resulted in changes in project design or the reasons and justification for not accommodating them. Changes resulting from any additional consultations during implementation need to be reflected in revised implementation-related project documentation such as Operational Manuals, Implementation Updates, etc., and should be included in project communications to stakeholders. It is also important that the results and conclusions of any consultations be provided to those stakeholders who have participated in order to show how their concerns have been taken into account.





Role of the Bank

1. *Fiduciary and supervision responsibilities:*

While the Borrower retains primary responsibility for project consultation, the Bank has fiduciary and supervision responsibilities to ensure that consultations are adequate. These obligations, most of which have been covered above, can be summarized as follows:

- a. Explain to the Borrower the requirements of the Bank's safeguard and other policies, including those related to consultations and disclosure.
- b. Share with the Borrower copies of the relevant Bank policies, and this Guidance Note on consultations.
- c. Share Bank requirements with co-financiers and facilitate harmonization of procedures to avoid duplication.
- d. Verify compliance with the specific provisions related to consultations in Bank policies on Environmental Assessment, Involuntary Resettlement, Indigenous Peoples, etc. (see Section IV and Annex 1, below).

- e. Review the consultation plans / proposals prepared by the Borrower, or by consultants engaged by the Borrower, and assess whether they adequately address all aspects of consultations.
- f. Agree on key consultation steps with the counterpart agencies and verify their implementation.
- g. Verify that there is adequate know how, capacity and funding for consultations.
- h. Verify that the consultations were held in accordance with the agreed steps. This can be done either through participation of Bank observers at the consultation events, or based on dissemination of the discussions and agreed actions to key stakeholders, and the absence of any objection to the consultation reports from any stakeholders.

- ### **2. *Ensuring that the project benefits from consultation:*** As explained above, the task team can help ensure that project preparation and implementation positively benefit from the consultation process by:

- a. Taking the results into account while discussing project design and implementation issues with the Borrower.
- b. Taking the results of consultations into account while making decisions about Bank support to the project.

3. Documenting key recommendations from consultations that were not followed: Not all suggestions derived from consultations can be integrated into project design. If some of these suggestions cannot be taken on board, it is important to document the reasons why they cannot be accommodated, and this needs to be documented and conveyed to key stakeholders.

4. Addressing Borrower refusal to conduct consultations during project preparation

or implementation: The task team should engage the Borrower on the importance of consultations and how they can contribute to better design and implementation of projects. However if, in spite of the best efforts of the task team, the Borrower refuses to conduct consultations during project design, Bank Management should be informed immediately and the Bank may need to consider discontinuing project preparation. If a similar issue arises during project implementation, Bank Management needs to be similarly informed so that appropriate legal remedies can be exercised.



Consultations in the Project Cycle

The following paragraphs describe the actions related to consultations that need to be taken at different stages in the project cycle:

Project Identification

- 1. Inform Borrower about Bank requirements related to consultations:** As soon as possible after project identification, the task team should explain the Bank requirements on consultations and disclosure to the Borrower agencies and give them copies of relevant OP/BPs. The team should also discuss with the Borrower the positive contributions well-conducted consultations can make to better project design and implementation.
- 2. Ask Borrower to conduct stakeholder analysis:** This can range from a simple analysis of potential winners and losers in a project with moderate adverse impacts, to a sophisticated stakeholder analysis conducted by consultants, NGOs or other Borrower agencies helping with the project environmental and social assessment. The task team should help Borrower agencies review the results of the stakeholder analysis, and ensure they have

not missed any important impact (positive or negative) or the groups affected by any of those impacts. Stakeholders include all those referred to in Section I.B. above.

- 3. Identify issues of special significance such as legacy issues, history of Bank engagement:** Projects in sectors where there has been a history of poor implementation, with or without the Bank's involvement, need special attention. In such cases, issues that were considered problematic during past engagement in the sector need to be discussed and addressed in project consultations. The results of consultations on these issues need to be taken into account in the design of the new project.
- 4. Flag potential problems early to Bank Management:** If the task team perceives that there are likely contentious issues in a project, but that the Borrower agencies are either not committed, or don't have the capacity to engage various stakeholders in a process of meaningful consultations to address these issues, it is important to flag this concern to Bank Management and to the Regional Safeguards Coordinator.

Project Preparation

1. **Getting ready to conduct consultations:** It is expected that most of the consultation activities will take place during the project preparation period. The Bank reviews Borrower proposals for conducting consultations, the institutional capacity and budget for consultations, and gives advice and suggestions on improving the format and scope of consultations.
2. **Conduct consultations in accordance with the agreed plan/proposal:** It is important to ensure that consultations are held in accordance with the agreed proposals.
3. **Bank staff as possible observers at the consultations:** It is useful to assess whether a Bank representative needs to be present at the consultations as an observer. Consultations in a highly contentious setting, where some stakeholders are likely to be strongly opposed to the project or any of the proposed mitigation measures, benefit from the presence of Bank or other, independent observers to ensure that consultations are meaningful and adequate. If a representative from the Bank attends, this should be done with due consideration to the primary role of the Borrower in the consultations. The role of the Bank as an observer should also be explained to the stakeholders at the beginning of the consultations. The Bank may also be asked to answer questions about the project, its impacts or the proposed mitigation measures. When the Borrower agency is unable to respond to the question, the Bank, with the Borrower's non-objection, can respond to the question. It is also useful to discuss this with the Borrower prior to the consultations.
4. **Consultation and its results:** The Bank and the Borrower review the results of consultations to:
 - a. *Assess implications*, if any, on project design and implementation arrangements (Bank and Borrower).
 - b. *Assess need for further consultations* (Bank and Borrower).
 - c. *Identify potential problems* in the project, and *inform* Sector Director, Sector Manager, Country Director, Country Manager, Country Lawyer, Regional Safeguards Coordinator (Bank).
 - d. *Identify the need for follow up actions* (Bank and Borrower).
 - e. *Ensure key project and safeguards documents reflect the results of the consultations and are disclosed* and available in the project area, on the project website as well as in the Bank's InfoShop (Bank).
5. **Reference to grievance mechanisms:** At the end of the preparation process, the Bank ensures that the applicable safeguards and other project documents contain adequate mechanisms for grievance redress.¹

Appraisal

1. **Duties during appraisal:** During appraisal the Bank and the Borrower:
 - a. *Review* project and safeguard documents to ensure key agreed actions from the consultations have been addressed/ incorporated in project design.
 - b. *Follow up* on any comments/feedback on project and safeguard documents that have been disclosed prior to project appraisal. If necessary, meet with stakeholder groups who have expressed concerns about any aspect of the project and discuss their concerns.
 - c. *Ensure* adequate mechanisms have been established to address complaints and grievances during implementation.
 - d. *Document* in the Project Appraisal Document key issues raised by stakeholders during consultations and how they have been addressed.
 - e. *Agree* on the need and format for continued

¹ For a useful resource on Grievance Mechanisms please see: [http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/p_GrievanceMechanisms/\\$FILE/IFC+Grievance+Mechanisms.pdf](http://www.ifc.org/ifcext/sustainability.nsf/AttachmentsByTitle/p_GrievanceMechanisms/$FILE/IFC+Grievance+Mechanisms.pdf)

consultations during implementation with the Borrower, and reflect the same in the Project Appraisal Document.

Approval

1. **Address any outstanding issues before negotiations / Board presentation.**
2. **Ensure any consultation issues warranting special consideration are included in the legal agreement.**

Project Implementation

1. **Ensure relevant provisions related to consultations in the Project Appraisal Document, the Environmental Management Plan, the Resettlement Action Plan, and in the Indigenous Peoples Plan are adequately implemented:** Consultations often need to continue during project implementation and project documents often contain references to the type of consultations that are planned to be conducted during implementation. It is important that supervision missions pay attention to these commitments and also assess if additional consultations are required with any existing or new stakeholder groups. Also, if there are any problems during implementation, additional consultations need to be designed and carried out with stakeholders affected by these problems.
2. **For projects where detailed designs are finalized during project implementation, conduct stakeholder consultations at the implementation stage:** For such projects, the consultation-related steps described in the “identification” and “appraisal” sections above need to be carried out during implementation. Therefore, consultations with specific groups of affected people need to be conducted at this stage.
3. **Identify any new stakeholders who may have emerged during the course of implementation:** In projects with complex environmental and social issues, new or unintended impacts can

sometimes result in the emergence of a new set of stakeholders – for example, groups that may be affected due to the re-routing of a road during project implementation – when detailed designs are completed. It is important that these new stakeholders be brought into the consultation process, and their views and suggestions taken into account in any proposed design modification and in subsequent project implementation.

4. **If consultations are to be carried out by organizations other than the Borrower agencies, ensure that they understand consultation requirements:** Consultations are sometimes carried out by agencies (such as municipal and regional authorities) other than the main Borrower agency with whom the task team usually works. In such cases, it is important that the agencies conducting consultations understand the consultation requirements, and have the know-how, capacity, and funding for consultations.
5. **Seek advice from Bank technical experts regarding the need for further consultations during implementation:** Involve Bank experts to follow up on the implementation of mitigation plans, and to assess the need for, form and extent of continued consultations with key stakeholders during implementation.
6. **Inform Bank Management of any issues of concern that arise in consultations during implementation:** Since consultations are a good barometer of potential issues or problems in project implementation, task teams should inform Bank Management if they identify any key concerns that repeatedly arise in consultations with stakeholders.
7. **Ensure grievance redress mechanisms are working properly:** The task team should review the log of complaints and suggestions received, the manner in which they are addressed, the response times, and the communications with the complainants on actions taken to address their grievances.

8. **Projects requiring significant consultations during implementation should have a higher supervision budget:** Overseeing consultations and following up on their results can often take significant staff time. Such consultations

indicate that there are important and potentially contentious issues that need to be discussed with stakeholders. This should signal the need for higher budget allocations for supervision of such projects.

TABLE 2. CONSULTATION-RELATED ACTIONS AT EACH STAGE OF THE PROJECT CYCLE

PROJECT STAGE	ACTION
PROJECT IDENTIFICATION	<ul style="list-style-type: none"> • Task Team (TT) to inform Borrower of Bank requirements and good practice consultations • Borrower to conduct stakeholder analysis • TT to help the Borrower identify any issues of special significance such as legacy issues, history of Bank engagement in the sector etc. • TT to flag potential problems early to Bank Management • Borrower starts preparing consultation proposals based on project preparation schedule
PROJECT PREPARATION	<ul style="list-style-type: none"> • TT to review consultation proposals and budget requirements prepared by Borrower and provide advice on consultations • Borrower to provide prior information to stakeholders in a form and language that can be understood by them • Borrower to conduct consultations in accordance with the plan / proposals shared with the Bank • Borrower to ensure that all consultations (key issues/concerns discussed, proposals for addressing them, points of disagreements etc.) are well documented in a language understood by the key stakeholders and the record of consultations is easily accessible to participants • TT to consider participating in consultations as observers • Borrower to review the results of consultations to incorporate key recommendations into project design, relevant safeguards instruments (Resettlement Action Plan, Environmental Assessment, Indigenous Peoples Plan, etc.). TT to review the process and advise the Borrower if additional consultations are necessary • Borrower to conduct additional consultations if necessary • TT to verify compliance with specific provisions related to consultations in Bank policies • If there are significant potential problems identified in the consultations, TT to inform Bank Management • Borrower to disclose key safeguards documents in the project area • TT to disclose the documents at the Bank's InfoShop • Borrower to put in place mechanisms for grievance redress
PROJECT APPRAISAL	<ul style="list-style-type: none"> • Borrower to address any comments and feedback on safeguard documents disclosed prior to appraisal • TT to review consultation results to ensure key agreements from consultations are incorporated in project design • TT to meet stakeholder groups if there are any serious concerns about the project • TT to verify that grievance mechanisms are in place and to assess their adequacy • TT to ensure that key issues raised during consultations are described in safeguards documents and in the Project Appraisal Document • Borrower and TT to agree on the need for consultations during project implementation
PROJECT NEGOTIATION	<ul style="list-style-type: none"> • Borrower and TT to address outstanding issues, if any, prior to project negotiations
PROJECT IMPLEMENTATION	<ul style="list-style-type: none"> • TT to verify if relevant provisions related to consultations in various project documents are implemented as agreed • Borrower to conduct consultations for projects where location and design of sub-components are identified only during implementation. If consultations are to be carried out by regional or local agencies, TT and Borrower to ensure they understand consultation requirements, and have the capacity and budget to conduct them • Borrower and TT to identify new/emerging issues that may arise during implementation and any additional stakeholder groups who need to be consulted • Borrower to continue conducting consultation with displaced people throughout the implementation of the resettlement program • Borrower to include arrangements for consultations as part of the monitoring and evaluation arrangements • TT to verify grievance redress mechanisms are working properly

Consultations in Operational Policies

Several OP/BPs include provisions and requirements related to consultations. These are provided in Annex 1 below. As an illustration, the requirements related to the Environmental Assessment, Indigenous Peoples and Involuntary Resettlement policies are described below.

Environmental Assessment

- 1. The relevance of consultation in the Environmental Assessment:** Because the Environmental Assessment is considered an umbrella instrument in the Bank's safeguard framework, it is important to agree on a specific consultation plan to address how consultation will take place before the Environmental Assessment is prepared, once the Environmental Assessment is ready and during implementation.
- 2. Scope of consultation:** The Environmental Assessment should provide the scope of consultation. In broad terms this should include two dimensions: quality of assessment and comprehensiveness of the mitigation measures. In other words,

the document has to contemplate all the impacts, identify potential alternatives and provide mitigation measures for the identified impacts. The Environmental Assessment should include environmental and socioeconomic considerations. Because the Bank does not have a stand-alone social assessment policy, special attention should be given to social issues, impact and mitigation.

- 3. Entry points:** There are particular points in the process of conducting Environmental Assessments where consultations should be carried out. These are:
 - a. When Terms of Reference for the Environmental Assessment are prepared.
 - b. When the draft Environmental Assessment and corresponding Environmental Management Plan are prepared.
 - c. For complex projects, once the final Environmental Assessment and Environmental Management Plan are approved, in order to explain and clarify decisions taken.

Involuntary Resettlement

1. ***The census and socioeconomic survey are based on a consultative process:*** The census of affected people and assets, and socioeconomic survey of affected groups and communities, that collectively form the baseline information in a resettlement program, should be carried out on the basis of a consultative process. The results of the census survey are shared with the directly affected people so that they can provide their feedback and comments, and register any disagreements they may have with the results.
2. ***Consultations with affected people and communities need to start soon after project design and impacts are known:*** Once the design of the project is known and impacts on people and communities can be identified, consultations need to be carried out with potentially displaced persons, likely host communities, and any communities who may suffer significant indirect impacts. The consultations are intended to:
 - a. Explain the impacts of the project to the affected people.
 - b. Promote the participation of affected people in the planning and implementation of resettlement programs.
 - c. Obtain their feedback on the results of census surveys.
 - d. Obtain their feedback and suggestions on the proposed mitigation measures.
 - e. Obtain suggestions on institutional arrangements for resettlement planning and implementation.
 - f. Discuss arrangements for redressing potential grievances during implementation.
3. ***Consultations on various aspects of the resettlement program continue throughout project preparation:*** The design of the entire resettlement program needs to be participatory so that the affected people own the program and assist in its smooth implementation. The

affected people are consulted on the proposed resettlement options, including the location and design of resettlement sites, design of alternative livelihood strategies, institutional arrangements for implementation, grievance redress mechanisms, and proposals for continued consultations during implementation.

4. ***The draft resettlement plan is disclosed in the project area so that affected people and other stakeholders have an opportunity to comment upon it:*** The comments and suggestions of the affected people at these consultations need to be taken into account in revising and finalizing the resettlement plan. The resettlement plan disclosed should clearly state the resettlement entitlements for each category of impact.
5. ***Consultations with the displaced people need to continue during resettlement implementation:*** Given that issues and problems frequently arise during resettlement implementation, it is important that Borrower agencies continue periodic consultations during implementation. This can help identify issues before they become problematic, and make them easier to resolve. Absence of consultations during implementation can escalate routine issues to the level of crises. Appointing representatives from each community to liaise with the Borrower agency in charge of resettlement issues can sometimes be very effective in ensuring a smooth flow of communication and resolving issues and problems in resettlement implementation as they arise.
6. ***Consultations as part of monitoring and evaluation efforts:*** Any arrangements to conduct monitoring and evaluation of the resettlement program need to include consultations with affected people, although such consultations can be held in small meetings or as household-level interviews.
7. ***Grievance redress mechanisms:*** Mechanisms for grievance redress are an important part of

consultations as they provide people recourse in case the resettlement program is not implemented as planned. Grievance redress mechanisms need to be:

- a. Based, whenever possible, on existing local mechanisms for resolving disputes and grievances.
- b. Easily accessible.
- c. Clearly described in the resettlement plan and other project documentation available to affected people, including how and where grievances are to be registered, who will be responsible for addressing them, and how the complainants will be informed after a decision has been taken.

Indigenous Peoples

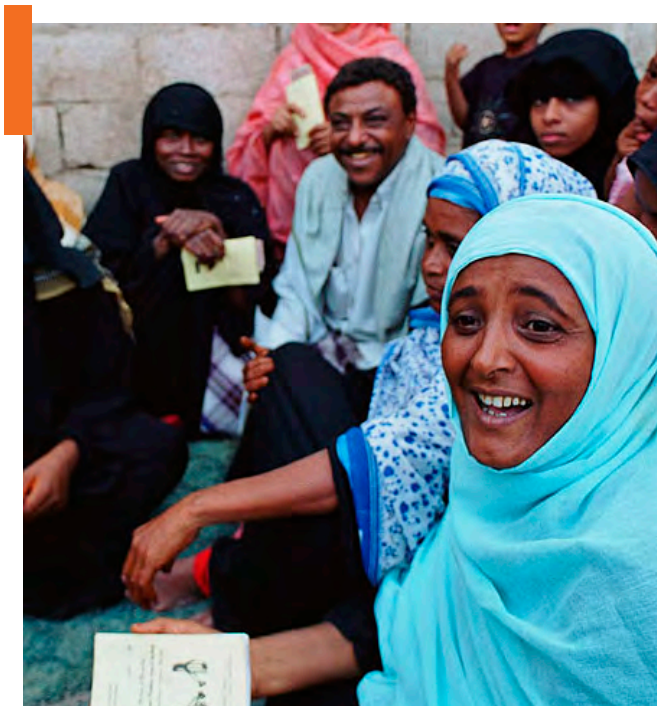
8. Relevance of Consultations. OP 4.10 on Indigenous Peoples attaches special importance to consultation. Its opening paragraph declares that *“For all projects that are proposed for Bank financing and affect Indigenous Peoples, the Bank requires the borrower to engage in a process of free, prior, and informed consultation. The Bank provides project financing only where free, prior, and informed consultation results in broad community support to the project by the affected Indigenous Peoples.”*

9. Role of the Borrower. The Policy requires the Borrower the document whether support from Indigenous People to the proposed project has been obtained through the preparation of a detailed report containing the following items:

- a. the findings of the social assessment;
- b. the process of free, prior, and informed consultation with the affected Indigenous Peoples’ communities;
- c. additional measures, including project design modification, that may be required to address adverse effects on the Indigenous Peoples and to provide them with culturally appropriate project benefits;

- d. recommendations for free, prior, and informed consultation with and participation by Indigenous Peoples’ communities during project implementation, monitoring, and evaluation; and
- e. any formal agreements reached with Indigenous Peoples’ communities and/or the IPOs.

10. Role of the Bank. Following the preparation of such report, the Bank needs to review *“the process and the outcome of the consultation carried out by the borrower to satisfy itself that the affected Indigenous Peoples’ communities have provided their broad support to the project. The Bank pays particular attention to the social assessment and to the record and outcome of the free, prior, and informed consultation with the affected Indigenous Peoples’ communities as a basis for ascertaining whether there is such support.”* This section of the Policy concludes by stating that the Bank *“not proceed further with project processing if it is unable to ascertain that such support exists.”*



Annex 1.

Specific Requirements on Consultation as stated in the World Bank's Operational Policies/Bank Procedures

POLICY/ PROCEDURE	SPECIFIC REQUIREMENTS ON CONSULTATION AS STATED IN THE WORLD BANK'S OPERATIONAL POLICY/BANK PROCEDURE
Piloting the Use of Borrower Systems (OP 4.00)	<p>Disclosure</p> <p>Paragraph 7. <i>To promote transparency and facilitate accountability, the Bank makes public through the PID early in the project cycle its intent to use country systems in a proposed pilot operation. It updates this information as project development proceeds. At a later stage, but prior to beginning appraisal, the Bank makes publicly available its analysis of equivalence of borrower systems and Bank requirements and its assessment of the acceptability of borrower implementation practices, track record, and capacity (including a description of the applicable borrower systems and of actions that would achieve and sustain equivalence and acceptability). In addition, the Bank ensures that relevant project-related environmental and social safeguard documents (see Table A1), including the procedures prepared for projects involving subprojects, are disclosed in a timely manner before project appraisal formally begins, in an accessible place and understandable form and language to key stakeholders.</i></p>
Environmental and Social Safeguard Policies—Policy Objectives and Operational Principles (Table A1 - OP 4.00)	<p>A. Environmental Assessment (EA)</p> <p>Paragraph 7. Involve stakeholders, including project-affected groups and local nongovernmental organizations, as early as possible, in the preparation process and ensure that their views and concerns are made known to decision-makers and taken into account. Continue consultations throughout project implementation as necessary to address EA-related issues that affect them.</p> <p>B. Natural Habitats</p> <p>Paragraph 5. Consult key stakeholders, including local nongovernmental organizations and local communities, and involve such people in design, implementation, monitoring, and evaluation of projects, including mitigation planning.</p>

POLICY/ PROCEDURE	SPECIFIC REQUIREMENTS ON CONSULTATION AS STATED IN THE WORLD BANK'S OPERATIONAL POLICY/BANK PROCEDURE
<p>Environmental and Social Safeguard Policies—Policy Objectives and Operational Principles (Table A1 - OP 4.00)</p>	<p>D. Involuntary Resettlement</p> <p>Paragraph 4. Consult project-affected persons, host communities and local nongovernmental organizations, as appropriate. Provide them opportunities to participate in the planning, implementation, and monitoring of the resettlement program, especially in the process of developing and implementing the procedures for determining eligibility for compensation benefits and development assistance (as documented in a resettlement plan), and for establishing appropriate and accessible grievance mechanisms. Pay particular attention to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, Indigenous Peoples, ethnic minorities, or other displaced persons who may not be protected through national land compensation legislation.</p> <p>Paragraph 5. Inform displaced persons of their rights, consult them on options, and provide them with technically and economically feasible resettlement alternatives and needed assistance, including (a) prompt compensation at full replacement cost for loss of assets attributable to the project; (b) if there is relocation, assistance during relocation, and residential housing, or housing sites, or agricultural sites of equivalent productive potential, as required; (c) transitional support and development assistance, such as land preparation, credit facilities, training or job opportunities as required, in addition to compensation measures; (d) cash compensation for land when the impact of land acquisition on livelihoods is minor; and (e) provision of civic infrastructure and community services as required.</p> <p>8. Disclose draft resettlement plans, including documentation of the consultation process, in a timely manner, before appraisal formally begins, in an accessible place and in a form and language that are understandable to key stakeholders.</p> <p>E. Indigenous Peoples</p> <p>Paragraph 2. Undertake free, prior and informed consultation with affected Indigenous Peoples to ascertain their broad community support for projects affecting them and to solicit their participation: (a) in designing, implementing, and monitoring measures to avoid adverse impacts, or, when avoidance is not feasible, to minimize, mitigate, or compensate for such effects; and (b) in tailoring benefits in a culturally appropriate manner.</p> <p>Paragraph 7. Prepare an Indigenous Peoples Plan that is based on the social assessment and draws on indigenous knowledge, in consultation with the affected Indigenous Peoples' communities and using qualified professionals. Normally, this plan would include a framework for continued consultation with the affected communities during project implementation; specify measures to ensure that Indigenous Peoples receive culturally appropriate benefits, and identify measures to avoid, minimize, mitigate or compensate for any adverse effects; and include grievance procedures, monitoring and evaluation arrangements, and the budget for implementing the planned measures.</p> <p>Paragraph 8. Disclose the draft Indigenous Peoples Plan, including documentation of the consultation process, in a timely manner before appraisal formally begins, in an accessible place and in a form and language that are understandable to key stakeholders.</p> <p>G. Physical Cultural Resources</p> <p>Paragraph 3. Consult concerned government authorities, relevant non-governmental organizations, relevant experts and local people in documenting the presence and significance of PCR, assessing the nature and extent of potential impacts on these resources, and designing and implementing mitigation plans.</p>

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<p>Environmental Assessment (OP 4.01)</p>	<p>Paragraph 5. The Bank advises the borrower on the Bank's EA requirements. The Bank reviews the findings and recommendations of the EA to determine whether they provide an adequate basis for processing the project for Bank financing... <i>The Bank may, if appropriate, require additional EA work, including public consultation and disclosure.</i></p> <p>Public Consultation</p> <p>Paragraph 14. <i>For all Category A and B projects proposed for IBRD or IDA financing, during the EA process, the borrower consults project-affected groups and local nongovernmental organizations (NGOs) about the project's environmental aspects and takes their views into account. The borrower initiates such consultations as early as possible. For Category A projects, the borrower consults these groups at least twice: (a) shortly after environmental screening and before the terms of reference for the EA are finalized; and (b) once a draft EA report is prepared. In addition, the borrower consults with such groups throughout project implementation as necessary to address EA-related issues that affect them.</i></p> <p>Disclosure</p> <p>Paragraph 15. <i>For meaningful consultations between the borrower and project-affected groups and local NGOs on all Category A and B projects proposed for IBRD or IDA financing, the borrower provides relevant material in a timely manner prior to consultation and in a form and language that are understandable and accessible to the groups being consulted.</i></p> <p>Paragraph 16. <i>For a Category A project, the borrower provides for the initial consultation a summary of the proposed project's objectives, description, and potential impacts; for consultation after the draft EA report is prepared, the borrower provides a summary of the EA's conclusions.</i> In addition, for a Category A project, the borrower makes the draft EA report available at a public place accessible to project-affected groups and local NGOs. For SILs and FI operations, the borrower/FI ensures that EA reports for Category A subprojects are made available in a public place accessible to affected groups and local NGOs.</p> <p>Footnote</p> <p>Footnote 19. <i>For projects with major social components, consultations are also required by other Bank policies--for example, OP/BP 4.10, Indigenous Peoples, and OP/BP 4.12, Involuntary Resettlement.</i></p>

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<p>Environmental Assessment (BP 4.01)</p>	<p>Paragraph 3. The TT records in the Project Concept Document (PCD) and the initial Project Information Document (PID) (a) the key environmental issues (including any resettlement, indigenous peoples, and physical cultural resources concerns); (b) the project category and the type of EA and EA instruments needed; (c) <i>proposed consultation with project-affected groups and local nongovernmental organizations (NGOs), including a preliminary schedule</i>; and (d) a preliminary EA schedule.</p> <p>Paragraph 7. As necessary, the TT assists the borrower in drafting the terms of reference (TOR) for any EA report. <i>The Regional environment sector unit (RESU) reviews the coverage of the TOR, ensuring among other things that they provide for adequate interagency coordination and for consultation with affected groups and local NGOs.</i></p> <p>Paragraph 12. For Category A and B projects, the TT and the RESU review the results of the EA, ensuring that any EA report is consistent with the TOR agreed with the borrower. <i>For Category A projects, and for Category B projects proposed for IDA funding that have a separate EA report, this review gives special attention to, among other things, the nature of the consultations with affected groups and local NGOs and the extent to which the views of such groups were considered</i>; and the EMP with its measures for mitigating and monitoring environmental impacts and, as appropriate, strengthening institutional capacity.</p> <p>Paragraph 13. For all Category A and B projects, the TT updates the status of the EA in the PCD/PID, describing how major environmental issues have been resolved or will be addressed and noting any proposed EA-related conditionalities. <i>The TT sends the InfoShop a copy of all EA reports.</i></p> <p>Paragraph 17. Environmental assessment of a guarantee operation is carried out in accordance with OP/BP 4.01. Any EA for an IBRD guarantee operation must be carried out in sufficient time for (a) the RESU to review the results of the EA, and (b) the TT to take the findings into account as part of appraisal. <i>The TT ensures that a Category A EA report for such an IBRD guarantee operation is available at the InfoShop no later than 60 days before the expected date of Board presentation, and any required Category B EA report no later than 30 days before the expected date of Board presentation.</i></p> <p>Paragraph 18. <i>For the purposes of disclosure of EA reports, IDA guarantees are governed by the same policy framework as IDA credits.</i> When a deviation from this policy framework is justified on operational grounds, the procedures for IBRD guarantees may be followed (see para. 17).</p> <p>Paragraph 19. For a Category A project, the TT summarizes the EA report in an annex to the PAD, including such key elements as the procedures used to prepare the report; environmental baseline conditions; the alternatives considered; the predicted impacts of the chosen alternative; a summary of the EMP, covering the areas outlined in <u>OP 4.01, Annex C</u>; <i>and the borrower's consultations with affected groups and local NGOs, including the issues raised and how they have been taken into account.</i></p>
<p>Natural Habitats (OP 4.04)</p>	<p>Paragraph 10. <i>The Bank expects the borrower to take into account the views, roles, and rights of groups, including local nongovernmental organizations and local communities, affected by Bank-financed projects involving natural habitats, and to involve such people in planning, designing, implementing, monitoring, and evaluating such projects.</i> Involvement may include identifying appropriate conservation measures, managing protected areas and other natural habitats, and monitoring and evaluating specific projects. <i>The Bank encourages governments to provide such people with appropriate information and incentives to protect natural habitats.</i></p>
<p>Indigenous Peoples (OP 4.10)</p>	<p>Paragraph 1. <i>For all projects that are proposed for Bank financing and affect Indigenous Peoples, the Bank requires the borrower to engage in a process of free, prior, and informed consultation.</i> The Bank provides project financing only where free, prior, and informed consultation results in broad community support to the project by the affected Indigenous Peoples. Such Bank-financed projects include measures to (a) avoid potentially adverse effects on the Indigenous Peoples' communities; or (b) when avoidance is not feasible, minimize, mitigate, or compensate for such effects.</p>

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<p>Indigenous Peoples (OP 4.10)</p>	<p>Project Preparation</p> <p>Paragraph 6. A project proposed for Bank financing that affects Indigenous Peoples requires: (c) <i>a process of free, prior, and informed consultation with the affected Indigenous Peoples' communities at each stage of the project</i>, and particularly during project preparation, to fully identify their views and ascertain their broad community support for the project (see paragraphs 10 and 11);...</p> <p>(e) disclosure of the draft Indigenous Peoples Plan or draft Indigenous Peoples Planning Framework (see paragraph 15).</p> <p>Paragraph 10. Consultation and Participation. Where the project affects Indigenous Peoples, the borrower engages in free, prior, and informed consultation with them. To ensure such consultation, the borrower:</p> <p>(a) establishes an appropriate gender and intergenerationally inclusive framework that provides <i>opportunities for consultation at each stage of project preparation and implementation</i> among the borrower, the affected Indigenous Peoples' communities, the Indigenous Peoples Organizations (IPOs) if any, and other local civil society organizations (CSOs) identified by the affected Indigenous Peoples' communities;</p> <p>(b) <i>uses consultation methods¹¹ appropriate to the social and cultural values of the affected Indigenous Peoples' communities and their local conditions and, in designing these methods, gives special attention to the concerns of Indigenous women, youth, and children and their access to development opportunities and benefits; and</i></p> <p>(c) <i>provides the affected Indigenous Peoples' communities with all relevant information about the project (including an assessment of potential adverse effects of the project on the affected Indigenous Peoples' communities) in a culturally appropriate manner at each stage of project preparation and implementation.</i></p> <p>Paragraph 11. In deciding whether to proceed with the project, the borrower ascertains, on the basis of the social assessment (see paragraph 9) <i>and the free, prior, and informed consultation (see paragraph 10), whether the affected Indigenous Peoples' communities provide their broad support to the project.</i> Where there is such support, the borrower prepares a detailed report that documents:</p> <p>(a) the findings of the social assessment;</p> <p>(b) the process of free, prior and informed consultation with the affected Indigenous Peoples' communities;</p> <p>(c) additional measures, including project design modification, that may be required to address adverse effects on the Indigenous Peoples and to provide them with culturally appropriate project benefits;</p> <p>(d) recommendations for free, prior, and informed consultation with and participation by Indigenous Peoples' communities during project implementation, monitoring, and evaluation; and</p> <p>(e) any formal agreements reached with Indigenous Peoples' communities and/or the IPOs.</p> <p><i>The Bank reviews the process and the outcome of the consultation carried out by the borrower to satisfy itself that the affected Indigenous Peoples' communities have provided their broad support to the project. The Bank pays particular attention to the social assessment and to the record and outcome of the free, prior, and informed consultation with the affected Indigenous Peoples' communities as a basis for ascertaining whether there is such support.</i></p> <p>Indigenous Peoples Plan/Planning Framework</p> <p>Paragraph 12. Indigenous Peoples Plan. <i>On the basis of the social assessment and in consultation with the affected Indigenous Peoples' communities, the borrower prepares an Indigenous Peoples Plan (IPP) that sets out the measures through which the borrower will ensure that</i></p> <p>(a) <i>Indigenous Peoples affected by the project receive culturally appropriate social and economic benefits...</i></p>

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Environmental Assessment (BP 4.01)	<p>Disclosure</p> <p>Paragraph 15. The borrower makes the social assessment report and draft IPP/IPPF available to the affected Indigenous Peoples' communities in an appropriate form, manner, and language. Before project appraisal, the borrower sends the social assessment and draft IPP/IPPF to the Bank for review. Once the Bank accepts the documents as providing an adequate basis for project appraisal, the Bank makes them available to the public in accordance with The World Bank Policy on Disclosure of Information, and the borrower makes them available to the affected Indigenous Peoples' communities in the same manner as the earlier draft documents.</p> <p>Commercial Development of Natural and Cultural Resources</p> <p>Paragraph 18. If the project involves the commercial development of natural resources (such as minerals, hydrocarbon resources, forests, water, or hunting/fishing grounds) on lands or territories that <i>Indigenous Peoples traditionally owned, or customarily used or occupied, the borrower ensures that as part of the free, prior, and informed consultation process the affected communities are informed of</i> (a) their rights to such resources under statutory and customary law; (b) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (c) the potential effects of such development on the Indigenous Peoples' livelihoods, environments, and use of such resources.</p> <p>Paragraph 19. If the project involves the commercial development of Indigenous Peoples' cultural resources and knowledge (for example, pharmacological or artistic), <i>the borrower ensures that as part of the free, prior, and informed consultation process, the affected communities are informed of</i> (a) their rights to such resources under statutory and customary law; (b) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (c) the potential effects of such development on Indigenous Peoples' livelihoods, environments, and use of such resources. Commercial development of the cultural resources and knowledge of these Indigenous Peoples is conditional upon their prior agreement to such development. <i>The IPP reflects the nature and content of such agreements and includes arrangements to enable Indigenous Peoples to receive benefits in a culturally appropriate way and share equitably in the benefits to be derived from such commercial development.</i></p> <p>Paragraph 20. <i>In exceptional circumstances, when it is not feasible to avoid relocation, the borrower will not carry out such relocation without obtaining broad support for it from the affected Indigenous Peoples' communities as part of the free, prior, and informed consultation process.</i> In such cases, the borrower prepares a resettlement plan in accordance with the requirements of OP 4.12, <i>Involuntary Resettlement</i>, that is compatible with the Indigenous Peoples' cultural preferences, and includes a land-based resettlement strategy. <i>As part of the resettlement plan, the borrower documents the results of the consultation process.</i></p> <p>Paragraph 21. Therefore, involuntary restrictions on Indigenous Peoples' access to legally designated parks and protected areas, in particular access to their sacred sites, should be avoided. <i>In exceptional circumstances, where it is not feasible to avoid restricting access, the borrower prepares, with the free, prior, and informed consultation of the affected Indigenous Peoples' communities, a process framework in accordance with the provisions of OP 4.12.</i></p> <p>Paragraph 22. In furtherance of the objectives of this policy, the Bank may, at a member country's request, support the country in its development planning and poverty reduction strategies by providing financial assistance for a variety of initiatives designed to:</p> <p><i>(b) make the development process more inclusive of Indigenous Peoples by incorporating their perspectives in the design of development programs and poverty reduction strategies, and providing them with opportunities to benefit more fully from development programs through policy and legal reforms, capacity building, and free, prior, and informed consultation and participation;</i></p>

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<p>Indigenous Peoples (OP 4.10)</p>	<p>Footnotes</p> <p>Footnote 4. <i>Free, prior, and informed consultation with the affected Indigenous Peoples' communities" refers to a culturally appropriate and collective decision-making process subsequent to meaningful and good faith consultation and informed participation regarding the preparation and implementation of the project. It does not constitute a veto right for individuals or groups (see paragraph 10).</i></p> <p>Footnote 11. <i>Such consultation methods (including using indigenous languages, allowing time for consensus building, and selecting appropriate venues) facilitate the articulation by Indigenous Peoples of their views and preferences. The Indigenous Peoples Guidebook (forthcoming) will provide good practice guidance on this and other matters.</i></p> <p>Footnote 15. <i>The social assessment and IPP require wide dissemination among the affected Indigenous Peoples' communities using culturally appropriate methods and locations. In the case of an IPPF, the document is disseminated using IPOs at the appropriate national, regional, or local levels to reach Indigenous Peoples who are likely to be affected by the project. Where IPOs do not exist, the document may be disseminated using other CSOs as appropriate.</i></p>
<p>Indigenous Peoples (BP 4.10)</p>	<p>Paragraph 2. <i>Free, Prior, and Informed Consultation.</i> When a project affects Indigenous Peoples, the TT assists the borrower in carrying out free, prior, and informed consultation with affected communities about the proposed project throughout the project cycle, taking into consideration the following:</p> <p>(a) <i>"free, prior, and informed consultation" is consultation that occurs freely and voluntarily, without any external manipulation, interference, or coercion, for which the parties consulted have prior access to information on the intent and scope of the proposed project in a culturally appropriate manner, form, and language;</i></p> <p>(b) <i>consultation approaches recognize existing Indigenous Peoples Organizations (IPOs), including councils of elders, headmen, and tribal leaders, and pay special attention to women, youth, and the elderly;</i></p> <p>(c) <i>the consultation process starts early, since decision-making among Indigenous Peoples may be an iterative process, and there is a need for adequate lead time to fully understand and incorporate concerns and recommendations of Indigenous Peoples into the project design; and</i></p> <p>(d) <i>a record of the consultation process is maintained as part of the project files.</i></p> <p>Project Identification</p> <p>Paragraph 3. <i>Screening.</i> Early in the project cycle, the task team leader (TTL) initiates a process to determine whether Indigenous Peoples (see OP 4.10, paragraph 4) are present in, or have collective attachment to, the project area. In doing so, the TTL seeks technical advice from qualified social scientists with expertise on the social and cultural groups in the project area. <i>If adequate information is not available, the TTL holds direct consultations with the Indigenous Peoples who would be affected by the proposed project.</i></p> <p>Paragraph 4. <i>Consultation with the Borrower.</i> If the screening indicates that Indigenous Peoples are present in, or have collective attachment to, the project area, the TTL:</p> <p>(a) <i>informs the borrower that the Indigenous Peoples policy applies to the project and brings the provisions of OP/BP 4.10 to the borrower's attention;</i></p> <p>(b) <i>discusses with the borrower its policies and institutional and legal arrangements for Indigenous Peoples;</i></p> <p>Paragraph 5. <i>Documentation, Review, Clearance, and Disclosure.</i> The TT summarizes in the Project Concept Note (PCN) and Project Information Document (PID) the results of the screening and the agreements reached with the borrower to comply with policy requirements, and notes in the Integrated Safeguards Data Sheet (ISDS) that OP 4.10 is triggered. The TTL seeks comments on and clearance of the PCN, PID, and ISDS from the Regional unit responsible for safeguards. <i>Once the PID is cleared, the TTL sends it to the InfoShop.</i></p>

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<p>Indigenous Peoples (BP 4.10)</p>	<p>Project Preparation</p> <p>Paragraph 6. <i>Social Assessment</i>. The TT:</p> <p>(a) <i>reviews the terms of reference for the SA, ensuring in particular that they provide for the affected Indigenous Peoples to participate in the SA through a process of free, prior, and informed consultation (see paragraph 2 of this BP);</i></p> <p>Paragraph 7. <i>Broad Community Support</i>. When the borrower forwards to the Bank the documentation on the SA and the consultation process, the TT reviews it to verify that the borrower has gained the broad support from representatives of major sections of the community required under the policy. The TT proceeds with project processing once it confirms that such support exists. The Bank does not proceed further with project processing if it is unable to ascertain that such support exists.</p> <p>Paragraph 8.</p> <p>(b) <i>Resettlement Action Plan (RAP)</i>. If the borrower proposes the physical relocation of Indigenous Peoples, the TT ascertains specifically that (a) the borrower has explored alternative project designs to avoid physical relocation; and (b) <i>the borrower has obtained broad support from the affected communities as part of the free, prior, and informed consultation process, and has documented it.</i></p> <p>(c) <i>Process Framework for Parks and Protected Areas</i>. When the access of Indigenous Peoples to legally designated parks and protected areas is restricted, <i>the borrower prepares a process framework with the free, prior, and informed consultation of the affected Indigenous Peoples' communities, and in accordance with the provisions of OP 4.12, Involuntary Resettlement, and of OP 4.10, paragraphs 20 and 21.</i></p> <p>Paragraph 9. <i>Instrument Review and Disclosure</i>. When the borrower submits the draft instrument(s) to the Bank, the TT reviews each instrument to ensure that it complies with the policy set out in OP 4.10; has been made available to the affected Indigenous Peoples' communities at an accessible place and in a culturally appropriate form, manner, and language; has been appropriately reflected in the project design; and can serve as the basis for project appraisal. The TT forwards the draft instrument(s) to the Regional safeguards unit for comments and clearance. Once the documents are cleared, <i>the TT makes them available to the public in accordance with The World Bank Policy on Disclosure of Information.</i></p> <p>Negotiations and Disclosure</p> <p>Paragraph 11. Prior to negotiations, the TT confirms that the responsible authority of the borrower has provided final approval of the relevant IPP, IPPF and other instrument(s)... <i>After the borrower and the Bank agree to the final instrument(s) and the project has been approved, the Bank makes the PAD and the final instrument(s) available to the public in accordance with the Bank's policy on disclosure. The borrower makes the documents available to the affected Indigenous Peoples' communities at a locally accessible place and in a culturally appropriate form, manner, and language, in the same manner as for the draft instruments (see paragraph 9 above).</i></p>
<p>Physical Cultural Resources (OP 4.11)</p>	<p>Consultation</p> <p>Paragraph 11. As part of the public consultations required in the EA process, <i>the consultative process for the physical cultural resources component normally includes relevant project-affected groups, concerned government authorities, and relevant nongovernmental organizations in documenting the presence and significance of physical cultural resources, assessing potential impacts, and exploring avoidance and mitigation options.</i></p> <p>Disclosure</p> <p>Paragraph 12. <i>The findings of the physical cultural resources component of the EA are disclosed as part of, and in the same manner as, the EA report.</i> Exceptions to such disclosure would be considered when the borrower, in consultation with the Bank and persons with relevant expertise, determines that disclosure would compromise or jeopardize the safety or integrity of the physical cultural resources involved or would endanger the source of information about the physical cultural resources. In such cases, sensitive information relating to these particular aspects may be omitted from the EA report.</p>

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Physical Cultural Resources (BP 4.11)	<p>Terms of Reference for the EA</p> <p>Paragraph 5. The TT advises and assists the borrower, as necessary, in drafting the TORs for the physical cultural resources component of the EA. In preparing the TORs, the borrower identifies the likely major physical cultural resources issues, if any, to be taken into account in the EA. <i>This identification of the possible presence of physical cultural resources is normally conducted on-site, in consultation with relevant experts and relevant project-affected groups.</i></p> <p>Disclosure</p> <p>Paragraph 13. <i>The TT consults with the borrower and persons with relevant expertise on whether disclosure of the findings of the physical cultural resources component of the EA would jeopardize the safety or integrity of any of the physical cultural resources involved. In addition, the TT consults the borrower to determine whether disclosure could endanger the source of information regarding the physical cultural resources. In such cases, sensitive information relating to these particular aspects, such as the precise location or value of a physical cultural resource, may be omitted from the EA report.</i></p>
Involuntary Resettlement (OP 4.12)	<p>Required Measures</p> <p>Paragraph 6. To address the impacts covered under para. 3 (a) of this policy, the borrower prepares a resettlement plan or a resettlement policy framework (see paras. 25-30) that covers the following:</p> <p>(a) The resettlement plan or resettlement policy framework includes measures to ensure that the displaced persons are:</p> <ul style="list-style-type: none"> • <i>informed about their options and rights pertaining to resettlement;</i> • <i>consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives;</i> <p>Paragraph 7. <i>In projects involving involuntary restriction of access to legally designated parks and protected areas (see para. 3(b)), the nature of restrictions, as well as the type of measures necessary to mitigate adverse impacts, is determined with the participation of the displaced persons during the design and implementation of the project.</i></p> <p>Paragraph 9. Bank experience has shown that resettlement of indigenous peoples with traditional land-based modes of production is particularly complex and may have significant adverse impacts on their identity and cultural survival. For this reason, the Bank satisfies itself that the borrower has explored all viable alternative project designs to avoid physical displacement of these groups. <i>When it is not feasible to avoid such displacement, preference is given to land-based resettlement strategies for these groups (see para. 11) that are compatible with their cultural preferences and are prepared in consultation with them.</i></p> <p>Paragraph 13. For impacts covered under para. 3(a) of this policy, the Bank also requires the following:</p> <p>(a) Displaced persons and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. Appropriate and accessible grievance mechanisms are established for these groups.</p> <p>Paragraph 14. The procedure includes provisions for meaningful consultations with affected persons and communities, local authorities, and, as appropriate, nongovernmental organizations (NGOs), and it specifies grievance mechanisms.</p> <p>Paragraph 19. In preparing the resettlement component, the borrower draws on appropriate social, technical, and legal expertise and on relevant community-based organizations and NGOs. The borrower informs potentially displaced persons at an early stage about the resettlement aspects of the project and takes their views into account in project design.</p>

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<p>Involuntary Resettlement (BP 4.12)</p>	<p>Paragraph 2. When a proposed project is likely to involve involuntary resettlement, the TT informs the borrower of the provisions of <u>OP/BP 4.12</u>. The TT and borrower staff</p> <p>(a) assess the nature and magnitude of the likely displacement;...</p> <p>(e) <i>discuss with the agencies responsible for resettlement the policies and institutional, legal, and consultative arrangements for resettlement, including measures to address any inconsistencies between government or implementing agency policies and Bank policy;</i></p> <p>Paragraph 5. For projects with impacts under para. 3 (a) of OP 4.12 the TT assesses the following during project preparation:</p> <p>(a) the extent to which project design alternatives and options to minimize and mitigate involuntary resettlement have been considered;</p> <p>(b) progress in preparing the resettlement plan or resettlement policy framework and its adequacy with respect to <u>OP 4.12</u>, <i>including the involvement of affected groups and the extent to which the views of such groups are being considered;</i></p> <p>Paragraph 9. Once the borrower officially transmits the draft resettlement instrument to the Bank, Bank staff—including the Regional resettlement specialists and the lawyer—review it, determine whether it provides an adequate basis for project appraisal, and advise the Regional sector management accordingly. <i>Once approval for appraisal has been granted by the Country Director, the TT sends the draft resettlement instrument to the Bank's InfoShop.</i></p> <p>Paragraph 15. For projects with impacts covered under para. 3(b) of OP 4.12, the TT assesses the plan of action to determine the feasibility of the measures to assist the displaced persons to improve (or at least restore in real terms to pre-project or pre-displacement levels, whichever is higher) their livelihoods with due regard to the sustainability of the natural resource, and accordingly informs the Regional Management, the Regional social development unit, and LEG. <i>The TL makes the plan of action available to the public through the InfoShop.</i></p> <p>Footnote</p> <p>Footnote 5. <i>Such actions may include, for example, developing procedures for establishing eligibility for resettlement assistance; conducting socioeconomic surveys and legal analyses; carrying out public consultation; identifying resettlement sites; evaluating options for improvement or restoration of livelihoods and standards of living; or, in the case of highly risky or contentious projects, engaging a panel of independent, internationally recognized resettlement specialists.</i></p>
<p>Forests (OP 4.36)</p>	<p>Paragraph 11. In addition to the requirements in paragraph 11, a forest certification system must be independent, cost-effective, and based on objective and measurable performance standards that are defined at the national level and are compatible with internationally accepted principles and criteria of sustainable forest management. The system must require independent, third-party assessment of forest management performance. <i>In addition, the system's standards must be developed with the meaningful participation of local people and communities; indigenous peoples; non-governmental organizations representing consumer, producer, and conservation interests; and other members of civil society, including the private sector. The decision-making procedures of the certification system must be fair, transparent, independent, and designed to avoid conflicts of interest.</i></p> <p>Paragraph 12. The Bank may finance harvesting operations conducted by small-scale landholders, by local communities under community forest management, or by such entities under joint forest management arrangements, if these operations:</p> <p>(a) <i>have achieved a standard of forest management developed with the meaningful participation of locally affected communities, consistent with the principles and criteria of responsible forest management outlined in paragraph 10;</i></p>

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Forests (BP 4.36)	<p>Harvesting Operations</p> <p>Paragraph 5. If the project involves harvesting operations to be financed by the Bank under OP 4.36, paras. 9(b) or 12(b), the TT ensures that the project incorporates the time-bound action plan, as well as the associated performance benchmarks and the timeframe required to achieve appropriate forest management standards pursuant to OP 4.36 paras. 9-12. <i>The TT includes the time-bound action plan (and the associated performance benchmarks) in the Project Appraisal Document, which is made available to the public in accordance with the World Bank's disclosure policy.</i></p> <p>Paragraph 9. If a project involves commercial harvesting of forests, the TT ensures that the borrower makes available to the public the results of all forest management assessments carried out under the independent forest certification system referred to in OP 4.36.</p>
Development Policy Lending (OP 8.60)	<p>Paragraph 6. <i>Consultations and Participation.</i> As part of its country dialogue, the Bank advises borrowing countries to consult with and engage the participation of key stakeholders in the country in the process of formulating the country's development strategies. For a development policy operation, the country draws on this process of strategy formulation to determine, in the context of its constitutional and legislative framework, the form and extent of consultations and participation in preparing, implementing, and monitoring and evaluating the operation. Bank staff describe in the Program Document the country's arrangements for consultations and participation relevant to the operation, and the outcomes of the participatory process adopted in formulating the country's development strategy. <i>Relevant analytic work conducted by the Bank, particularly on poverty and social impacts and on environmental aspects, is made available to the public as part of the consultation process, in line with the Bank's disclosure policy.</i></p> <p>Paragraph 9. <i>Analytic Underpinnings.</i> A development policy operation draws on relevant analytic work on the country undertaken by the Bank, the country, and third parties. <i>Drawing on a consultative process, the CAS assesses the adequacy of analytic work on the country and indicates how gaps will be addressed.</i></p> <p>Paragraph 13. <i>Conditions.</i> The Bank determines which of the agreed policy and institutional actions by the country are critical for the implementation and expected results of the program supported by the development policy loan. The Bank makes the loan funds available to the borrower upon maintenance of an adequate macroeconomic policy framework, implementation of the overall program in a manner satisfactory to the Bank, and compliance with these critical program conditions. <i>The Bank seeks to harmonize these conditions with other development partners in consultation with the country.</i></p> <p>Documentation and Disclosure</p> <p><i>Program Document</i></p> <p>Paragraph 29. For each development policy operation proposed for Bank financing, the Bank prepares a Program Document that describes and appraises the operation. An annex on Bank/Fund relations is attached. <i>The Program Document is available to the public after the operation has been approved by Executive Directors.</i></p> <p><i>Letter of Development Policy</i></p> <p>Paragraph 30. The borrower sets out the program of objectives, policies, and measures to be supported by the development policy operation—typically a subset of the government's overall strategy—in a Letter of Development Policy (LDP), which is included in the loan documentation presented to the Board. <i>The LDP is available to the public after Executive Directors approve the operation, unless they decide otherwise.</i></p>

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<p>Development Policy Lending (OP 8.60)</p>	<p><i>Tranche Release Documents</i></p> <p>Paragraph 31. In a multiple-tranche development policy operation, for each tranche after the first one, the Bank prepares a Tranche Release Document that reports on the status of the program being supported under the operation. <i>The Tranche Release Document is available to the public (a) after Bank Management has approved the release of the tranche and the Board has been informed, or (b) if a waiver of tranche release conditions is recommended, after Executive Directors have approved the waiver.</i></p> <p>Crisis and Post-Conflict Situations</p> <p>Paragraph 32. Countries affected by crisis or conflict may require an unusually quick response from the Bank. <i>There may not be sufficient time or country capacity to adequately address design considerations (such as possible distributional effects, effects on natural resources and the environment, fiduciary arrangements), or a strong policy program developed with stakeholder consultation.</i></p> <p>Footnotes</p> <p>Footnote 5. Key stakeholders include social groups directly affected by the operations, as well as public sector, private sector, and donor organizations relevant to the operation. Country strategies include the poverty reduction strategy paper (PRSP) process in IDA countries or the country's overall or sectoral development strategy in IBRD countries. <i>For internal guidelines to assist in the application of OP and BP 8.60 on consultations and participation, staff may refer to the Good Practice Note in Supporting Participation in Development Policy Operations.</i></p> <p>Footnote 21. For supplemental financing, a concise program document, known as the Supplemental Financing Document (SFD), is prepared. <i>It is disclosed in the same fashion as the PD.</i></p>
<p>Development Policy Lending (BP 8.60)</p>	<p>Appraisal and Review</p> <p>Paragraph 6. During appraisal, the task team assesses the adequacy of the proposed program to achieve its stated objectives. Before negotiations, the team includes in the documentation the borrower's draft Letter of Development Policy (LDP), unless the borrower has objected to its disclosure, and the lawyer prepares the draft Loan Agreement.</p> <p>Negotiations and Board Presentation</p> <p>Paragraph 7. <i>Invitation to Negotiate.</i> The country director issues the invitation to negotiate a development policy operation. <i>The invitation includes a statement that it is the Bank's policy to make the PD and any Tranche Release Document (TRD) available to the public after the loan or credit has been approved by Executive Directors. It also indicates that the LDP will be made available to the public following Board approval, unless the Executive Directors decide otherwise.</i> It requests that the borrower's negotiating team be prepared to identify, during negotiations, any sections of the Program Document (PD) that are confidential or sensitive, <i>or that may adversely affect relations between the prospective borrower and the Bank, if disclosed.</i></p> <p>Paragraph 8. The LDP is normally attached as an annex to the PD; but if the borrower has objected to the disclosure of the LDP, it is included as an annex to the MOP.</p> <p>Paragraph 9. <i>Distribution of the PD to Executive Directors.</i> After the PD has been cleared for distribution to Executive Directors following the corporate review process, the Regional vice president transmits the PD to the Corporate Secretariat's Board Operations Unit (SECBO), <i>indicating in the Board Submission Form that the PD will be made publicly available after the loan or credit is approved.</i></p> <p>Paragraph 11. <i>Disclosure.</i> <i>After the Executive Directors approve the operation, if their discussion does not necessitate revisions to the PD, SECBO notifies the Internal Document Unit (IDU) and the InfoShop that the document may be made available to the public.</i> If further revisions to the PD are required, SECBO notifies IDU and the InfoShop about the need for revisions. <i>Once the document has been revised and cleared</i></p>

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<p>Development Policy Lending (BP 8.60)</p>	<p><i>according to Regional procedures, the country director transmits the revised final document to SECBO, indicating in the Board Submission Form that the PD may be made available to the public. SECBO notifies IDU and the InfoShop that the PD may be made available to the public.</i></p> <p>Tranche Release</p> <p>Paragraph 20. When the borrower has in all material respects satisfactorily met the conditions for tranche release specified in the Loan Agreement, the Regional vice president approves the tranche release and sends the announcement to SECBO, <i>indicating in the Board Submission Form that the TRD will be made publicly available.</i> The Memorandum of the President (MOP) that accompanies the TRD may incorporate any information raising issues of confidentiality, sensitivity, or adverse relations between the borrower and the Bank that the Regional vice president wishes to convey to Executive Directors. <i>SECBO distributes the TRD to Executive Directors for information and notifies IDU and the InfoShop that the TRD may be made available to the public.</i></p>
<p>Environmental Action Plans (OP 4.02)</p>	<p>Disclosure</p> <p>Paragraph 5. While the Environmental Action Plan (EAP) is being prepared, the Bank encourages the government to make drafts available to groups that will be affected by its implementation and to other interested groups, including NGOs. When the EAP is completed, the Bank encourages the government to issue it to aid agencies and the public. When the Bank has officially received an EAP and has obtained the government's consent, it makes the EAP publicly available.</p>
<p>Involving Nongovernmental Organizations in Bank Supported Activities (GP 14.70)</p>	<p>Paragraph 1. Nongovernmental organizations and other organizations of civil society (NGOs) are important actors in the development process. These organizations can make important contributions toward ensuring that the views of local people are taken into account, promoting community participation, extending project reach to the poorest, and introducing flexible and innovative approaches. <i>The Bank therefore encourages borrowers and staff members to consult with NGOs and to involve them, as appropriate, in Bank-supported activities, including economic and sector work and all stages of project processing-- identification, design, implementation, and monitoring and evaluation.</i></p> <p>Paragraph 11. The Bank recognizes the value of consulting with NGOs on such sectoral and operational issues as poverty, environment, social development, participation, and information disclosure. During the formulation of policies, strategies, procedures, and major reports (such as the World Development Report), Bank staff have sought advice and comments from relevant specialists inside and outside the Bank, including NGOs. <i>As part of such consultations, Bank staff may make draft documents available for review by such external specialists and organize opportunities for them to discuss their views and concerns with relevant Bank staff.</i></p> <p>Paragraph 12. <i>The Bank consults with NGOs in other ways, as well: for example, the NGO-World Bank Committee meets regularly on both a global and regional basis to discuss issues of mutual concern; and the External Gender Consultative Group, formed in April 1996 and comprising NGO representatives and academics, meets with Bank staff to share information and provide advice on gender-related issues.</i></p> <p>NGO Involvement in Economic and Sector Work</p> <p>Paragraph 16. NGOs can provide alternative perspectives in ESW and can promote grassroots participation and consensus-building. Some examples follow.</p> <p>(a) Participatory Poverty Assessments (PPAs). NGOs with strong grassroots links and local language skills have been valuable partners in carrying out PPAs.</p>

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<p>Involving Nongovernmental Organizations in Bank Supported Activities (GP 14.70)</p>	<p>(b) National Environmental Action Plans (NEAPs). <i>NGOs and other stakeholders have been consulted in the preparation of NEAPs. In Guinea, the NEAP was prepared entirely by a locally-based national NGO whose community ties and participatory skills helped ensure that the NEAP accurately reflected the needs and opinions of the local population.</i></p> <p>(c) Country Economic Memoranda (CEMs). During the preparation of the Zimbabwe CEM, a participating NGO helped to organize field visits and ensured that the mission had direct contact with the rural poor, thus contributing a first-hand perspective on social issues such as the dependence of the poor on basic services.</p> <p>(d) <i>Country Assistance Strategies (CASs). In preparing CASs, the Bank has included NGOs and other participants from civil society in the consultation process.</i></p> <p>Paragraph 18. <i>Project Identification and Design.</i> During project identification, NGOs that are familiar with the project area and enjoy ties with the local population can give both the government and the Bank valuable information about local conditions and community priorities. <i>They can also inform local populations about the planned project, organize consultations with affected people, and work with them to make their voices heard.</i></p> <p>Paragraph 21. <i>Project Implementation, Monitoring, and Evaluation.</i> When NGOs have responsibility in the implementation of Bank-financed activities, the borrower and the Bank may need to take special measures to enable the NGOs to exercise their comparative strengths. For example, NGOs may have limited financial capability or lack experience with Bank or government procedures. Borrower and Bank staff should ensure that the terms of reference for an NGO-executed activity express clearly the expected timeframe for carrying out the activity and describe areas in which delays may pose risks for project success. Similarly, the borrower and the Bank should be aware of the need to build into the project sufficient time and flexibility to allow NGOs to carry out their responsibilities. It is good practice to organize preimplementation consultations among the government, NGOs, and the Bank.</p> <p>Paragraph 26. Under Bank-financed operations, borrowers/executing agencies have frequently engaged NGOs to work directly with project beneficiaries and people affected by the project. <i>Such work includes sharing information about the project, soliciting the views and concerns of beneficiaries and affected parties, and promoting the active participation of such people in project activities.</i> Experience has shown that NGOs can be effective in ensuring interaction with affected parties in projects involving involuntary resettlement. <i>In a number of countries, for example, NGOs have consulted with local people, prepared resettlement plans, and monitored pilot resettlement projects.</i></p> <p>Paragraph 30. Country offices gather and maintain information about local NGOs and NGO activities in their country; inform visiting Bank missions about NGOs and NGO activities relevant to their work; organize meetings between local NGOs and visiting mission staff; as appropriate, organize consultations with NGOs and government representatives on policy and sectoral issues; respond to NGO requests for information; and work with the government to promote an enabling environment for NGOs. Many country offices have appointed NGO specialists or NGO liaison officers to act as points of contact and communication with NGOs. <i>These specialists play a lead role in establishing and maintaining effective relations among the Bank, the borrower, and NGOs at the country level--for example, gathering information about NGOs, responding to requests from and disseminating information to NGOs, assisting staff in identifying and assessing NGO partners, organizing systematic consultations with NGOs on country strategy and operational and policy matters, and advising the government on fostering an enabling environment for NGOs.</i></p> <p>Paragraph 31. The NGO/Civil Society Thematic Team consists of Bank staff working on NGO and civil society issues in the Regions and Networks. In collaboration with Regions and Networks, the NGO/Civil Society Unit of the Social Development Family develops and coordinates the Bank's overall relationship with NGOs; provides advice and operational assistance to Bank staff on working with NGOs; promotes within the Bank practices and procedures that facilitate collaboration with NGOs; monitors NGO involvement in Bank-financed activities; disseminates good practice in working with NGOs; coordinates training for staff; <i>assists Bank staff in organizing policy consultations with NGOs;</i> services the NGO-Bank Committee; conducts research on NGO-related issues; maintains an electronic database on NGOs; and responds to NGO requests for information or directs NGO requests to the appropriate Bank staff.</p>

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Development Cooperation and Conflict (BP 2.30)	<p><i>Interim Strategy Note (ISN Process)</i></p> <p>Paragraph 9. <i>The final ISN is made available to the public in the same manner, and subject to the same conditions, as a Country Assistance Strategy.</i></p>
Gender and Development (BP 4.20)	<p>Paragraph 1. <i>The country director oversees the preparation of the gender assessment for the country. The gender assessment is based on analytic work and consultations conducted by the Bank or by other organizations (for example, governmental, international, or academic institutions).</i></p>

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