



# Global Campaign to Promote Sustainable Development

By the Bank Information Center (BIC)

## Table of Contents

<b>I.</b>	<b>Executive Summary</b>	<b>3</b>
<b>II.</b>	<b>Strengthening International Environmental Standards</b>	<b>4</b>
<b>III.</b>	<b>Promoting Sustainable Forests</b>	<b>7</b>
<b>IV.</b>	<b>Reforming Environmentally-Destructive Projects</b>	<b>9</b>
<b>V.</b>	<b>Promoting Citizen Participation in International Development Lending</b>	<b>13</b>

## I. EXECUTIVE SUMMARY

In 2014, the Bank Information Center:

- worked with CSOs around the world in advocating for stronger international environmental and social standards at the World Bank on environmental assessment, forests, involuntary resettlement, climate, child rights, and disability rights;
- conducted capacity building activities with CSOs and indigenous groups that would help leverage the World Bank's Reduced Emissions from Deforestation and Forest Degradation (REDD) program to strengthen community land rights that help protect forest and reduce carbon emissions;
- supported the efforts of communities in India, Egypt, Mongolia, and Uzbekistan in seeking legal remedies (threat of massive pollution, and livelihoods are being displaced by World Bank Group-funded projects);
- helped facilitate the formation of CSO coalitions or more well-equipped CSOs in Egypt, Yemen, Tunisia, Cambodia, Bolivia, Burma in order for them to effectively engage the World Bank in a way that pushes for greater transparency, accountability and participation at the World Bank Group's operations in their countries.

Main outcomes of our 2014 work include:

- 1) **successfully** pushed the World Bank to **make CSO consultations mandatory** at different stages in the Country Partnership Framework process globally including at the Systematic Country Diagnostic stage.
- 2) **convened more than 350 organizations** across the globe in our campaign to strengthen the World Bank's environmental and social standards,
- 3) **made gains** in the World Bank's draft safeguard revisions, including a proposal to have new standards on greenhouse gas accounting and labor; require free, prior and informed consent from indigenous peoples before a development project is approved; more project-level grievance mechanisms; increased scope of social assessments to include those on children, persons with disabilities, sexual minorities, and labor; and more attention to monitoring and supervision of projects. Despite these gains, the World Bank's draft revised standards contain major loopholes that would put the environment and citizens at risk. The draft proposes an increased reliance on the borrowing government's own standards, and provides more flexibility to the borrowing government on when to comply with the rules.
- 4) **facilitated engagement with decision-makers, and strengthened CSO collective actions** in their fight against destructive coal and mining projects in India, Mongolia, and Egypt. Successful outcomes include affected Egyptian farmers receiving compensation for the harms they faced.
- 5) coordinated a **skills-sharing workshop** between BIC and IBASE (Brazilian Institute for Social and Economic Analysis) to explore coordination on transferring lessons of World Bank advocacy to the Brazilian Development Bank (BNDES) reform process.
- 6) The World Bank agreed to develop a [technical cooperation project in Peru](#) that would potentially strengthen the country's **environmental governance system**.

## II. STRENGTHENING INTERNATIONAL ENVIRO

In 2014, BIC continued to work to strengthen international environmental and social standards by advocating for stronger policies at the World Bank on environmental assessment, forests, involuntary resettlement, climate, child rights, and disability rights.

In July 2014, the World Bank released its draft revision of its social and environmental standards. The following are the main gains made thus far:

- 1) The World Bank proposes **new standards on greenhouse gas accounting and labor**.
- 2) The World Bank proposes to require **free, prior, informed consent** from indigenous peoples before a development project is approved. This is a key step in ensuring that governments around the world uphold the rights of indigenous peoples in projects that may impact them or their land and resources.
- 3) The World Bank proposes to allow more **project-level grievance mechanisms**, which will hopefully allow the concerns of community members to be addressed in a more timely manner.
- 4) The World Bank proposes to broaden the of **social assessments** to include those on **children, persons with disabilities, sexual minorities, and labor**.
- 5) The World Bank proposes to direct more attention to **monitoring and supervision** of projects.

Despite these gains, the World Bank's draft standards contain major loopholes that would put citizens at risk. The draft proposes an increased reliance on the borrowing government's own human rights standards, and provides more flexibility to the borrowing government on when to comply with the rules. BIC plans to continue its campaign vigorously in 2015 to preserve the gains and reverse policy loopholes.

Below, we describe in detail our safeguards work during the past year.

In early 2014, the World Bank produced its draft proposed safeguard revisions, called the [April update](#). It provided clear indications that the new draft would import troubling aspects wholesale from the European Bank for Reconstruction and Development's safeguard policy regime, instituting a significant and worrying degree of discretion and flexibility in permitting borrowers to persistently fail to comply with key safeguard requirements, as long as it is within a "timeframe acceptable to the Bank." This signaled a major shift in approach for the Bank, away from the current rules-based approach with predictable engagement moments to a flexible, "outcome-based" approach that prioritizes monitoring of project implementation over proper environmental assessments.

These efforts to limit Bank responsibility and accountability serve to undercut progress made in other areas of importance to BIC, its partners, and the broader community. Still, as a result of

significant pressure, the Bank introduced the concept of human rights into the draft (albeit in the non-binding vision section), non-discrimination including on the basis of sexual orientation and gender identity and expression (SOGIE), disability, and age, among others. New standards on labor and climate change issues (greenhouse gas accounting) were also introduced. These represented a “foot in the door” to continue advocacy during the second phase of consultations.

At the same time, progress we had achieved from 2013 into 2014 in leveraging support from the U.S., Belgium and France toward including Development Policy Lending (DPLs) – which comprises up to 40% of Bank lending in a given year – was fought back strenuously by World Bank management. Given this pushback, we intensified our advocacy efforts with board offices, securing a “Plan B” scenario wherein the World Bank’s Independent Evaluation Group (IEG) will conduct an evaluation of treatment of environmental and social issues of DPLs which, depending on its findings, could trigger a review of the operational policy governing DPLs (OP 8.60) in 2016.

By the time we obtained a leaked copy of the Bank’s proposed first draft two weeks before the Board was to discuss it on July 30, we were well prepared to respond to it, having coordinated among the CSO community a rapid-response plan to quickly process and analyze it. Informal working groups had been established to divide up the work, analyzing the overarching Environmental and Social Policy (ESP – the Bank’s requirements) and the 10 newly proposed Environmental and Social Standards (ESS – responsibility of the borrower). This process generated a great deal of material on the first draft quickly, while a careful examination of the draft revealed major dilutions of the safeguards as compared to existing standards.

After circulating the confidential first draft, BIC quickly convened a CSO coordination call to plot the way forward, agreeing on top priorities and messages which BIC compiled with the input of others to convey to decision makers at the Bank ahead of the July 30 board discussion. BIC also shared the draft and our analysis with journalists (see articles quoting BIC in [The Guardian](#), [Reuters](#) and [Huffington Post](#)) and our regional programs worked with their regional CSO counterparts to generate letters to their board members from [Latin American CSOs](#), [Egyptian CSOs](#) as well as [a number from Asia](#).

While noting that there are a number of positive advances in the first draft, BIC and its CSO colleagues reiterated our concerns with a number of board offices, arguing strenuously for the most egregious problems with the draft to be fixed before releasing to public. Faced with the prospect of a combative board discussion, World Bank management lowered expectations for the meeting by asking board members not to endorse the content of the draft, but to clear it for consultation. The [draft was cleared by the board](#) for consultation and was made [available publicly](#), and it has been the subject of [a series of public consultations between September 2014 and March 2015](#). The Bank hopes to revise the draft by latest June 2015 and release it for a final round of public comment, with final approval of the new safeguards foreseen toward the end of 2015 at the earliest or early 2016.

Between September 2014 and March 2015, the World Bank [organized consultations](#) on the new draft policies in over 40 countries. BIC coordinated and led discussions worldwide during this global process of consultations on the first draft. This work involved workshops to increase the capacity of local groups engaging in the process, convening of coordination and preparatory

meetings before the actual consultations took place, taking part in many of these consultations and educating groups on the overarching and issue specific problems, engaging new players in the process through sign-on letters and Op-eds, supporting local groups in arranging demonstrations against the new draft, and producing submissions on many new standards.

### III. PROMOTING SUSTAINABLE FORESTS

In 2014, BIC continued its work to strengthen the World Bank's forest standards, and to ensure that multilateral finance for Reduced Emissions from Deforestation and Forest Degradation (REDD) delivers real results in mitigating climate change.



During 2014, initiated a process to create a joint civil society strategy around World Bank forest engagement. BIC continued longstanding work on REDD+ by engaging in formulation of standard-setting policy at the Forest Carbon Partnership Facility (FCPF), and by advocating for stronger language on rights and stakeholder engagement in the Methodological Framework which guides the FCPF Carbon Fund. Despite stepping down as long-time Northern CSO Observer to the FCPF in 2014, BIC continued to participate in FCPF and Forest Investment Plan (FIP) advocacy alongside CSO and indigenous peoples (IP) groups.

In addition to engaging in REDD+ policy at the international level, BIC has partnered with CSO and indigenous groups at the national level to assist in capacity building on REDD+ and forest safeguard issues, and to develop advocacy strategies which use REDD+ as leverage in national organizations' campaigns for recognition of community rights land. Specific examples include: a series of trainings for a group of indigenous and CSO leaders from the Mesoamerican Alliance of Peoples and Forests; publication of an in-depth case study on successful REDD+ advocacy by indigenous groups in Costa Rica; supporting AIDSESEP in Peru in a successful campaign to orient the Forest Investment Program's (FIP) Dedicated Grant Mechanism funds in Peru to indigenous land titling; co-publishing a study on the development of a national safeguards system for REDD+ in Mexico; and, together with Red MOCAF, launching a field-based investigation of the community level impacts of the FIP-funded World Bank Forests and Climate Change project in Mexico.

The second ongoing line of work in BIC's Forest Campaign focuses on the World Bank's safeguard policy, initiated in the fall of 2013. Since then, BIC has convened and coordinated with civil society from the global south and global north to advocate for stronger safeguard language on forests and natural habitats. In 2014, we collaborated with a spectrum of CSOs to articulate core demands and a response to the forest-related content of the World Bank's first draft. BIC led efforts to undertake a rapid analysis of the new Biodiversity standard and document dilutions in a broadly-endorsed letter urging the World Bank's Committee on Development Effectiveness (CODE) to reject the safeguard draft. BIC positioned itself as a reliable resource on forest forest-related safeguard issues by disseminating regular updates to a large group of CSOs, producing a detailed comparison of existing and proposed forest-related safeguard policies, and collaborating with Conservation International to draft a red-line version of the proposed Biodiversity standard.

BIC convened a successful workshop at a Carbon Fund meeting around the implications of the safeguard draft for forests, and engaged Bank management and Executive Directors through

meetings and letters from partners, and advocated the U.S. Government to strengthen their position on the Bank's forest-related safeguards. Additionally, the Forest Campaign has facilitated engagement of partners in the safeguard review through newsletters, training materials, and workshops on forest-related issues in preparation for the World Bank safeguard consultations.

BIC's campaign to strengthen the World Bank's forest standards began in May with a two day strategy session on the Bank's forest engagement convened jointly with the Ford Foundation, which was attended by CSOs from DC, Europe, Asia, and Latin America. The group identified trends in World Bank and other IFIs' forest lending, and sought to identify key areas of interest for a future joint CSO forest strategy, which BIC was tasked with moving forward.

In response to group consensus around the importance of understanding the Bank's niche and the increasingly important role of the private sector, BIC initiated a large research project which seeks to understand the financial landscape that impacts forests. The research project investigates World Bank lending related to forests in key tropical forest countries, in the context of other multilateral development bank and bilateral actors. This research incorporates both initiatives which seek to facilitate forest conservation, and initiatives in sectors that drive deforestation.

In addition, strategy session participants called for a closer look at the impacts on forests of private sector engagement. BIC plans to undertake an analysis of private sector investment in sectors driving deforestation, as well as a deeper dive into the investments of the International Finance Corporation (IFC, the World Bank's private sector arm). These results will be used to galvanize a coalition of CSOs to advocate for more IFC and private sector investments that minimize negative impacts to forests and promote sustainable forest management.

#### IV. REFORMING ENVIRONMENTALLY-DESTRUCTIVE PROJECTS

**Sasan Ultra Mega Power Plant.** This 3,960 MW (6x660 MW) coal-fired project in Sasan, Madhya Pradesh will be one of the largest sources of greenhouse gas emissions in the world. As of March 2014, three of the six units were already operational. The Sasan coal plant has been allocated three captive coal mine blocks that will produce about 25 million tonnes of coal per annum, making these mines among India's largest.



The U.S. Export-Import Bank is the main institution funding this project, but the World Bank plans to finance the transmission line –a classic case of concealed funding for coal. They are funding the transmission lines for this project, without taking responsibility for the social and environmental impacts of the coal plant. Significant work has been done to document the situation in Singrauli (where the Sasan project is located) and bring the findings to the funding institutions and the international community. This includes:

**a. International Fact Finding Report:** A team comprising people from Sierra Club, 350.org, Natural Resources Defense Council (NRDC) and Carbon Market Watch (CMW) conducted two visits to the Sasan affected areas to carry out an investigation on the human rights and environmental impacts of Sasan. The purpose of facilitating an International Fact finding Report is multipronged. One is that the findings are expected to draw the attention of international financiers like World Bank, US Exim Bank and media about the project's safeguard policy violations and the growing harms.



Secondly, it is also an attempt to garner international solidarity and media attention to this case. The International Fact Finding was facilitated by BIC along with Srijan Lokhit Samiti (SLS) which is the local organization working in Singrauli (where Sasan UMPP is located). Fact finding was done in two phases. The first field visit in January was by Sierra Club and NRDC along with BIC, Srijan lokhit Samiti and Bharat Janvigyan Jatha assisting the team. The fact finding met with affected communities in their villages. The second field visit in April was by 350.Org and CMW along with BIC and SLS. The focus of this visit was to meet various stakeholders. The fact finding team met doctors, local journalists, trade union leaders, representatives of political parties (local) apart from the affected community. The team also made attempts to meet the company officials from whom appointments were sought but there was no response from their side.

**b. Presentation on Sasan UMPP** as part of session on Case studies of CDM projects that are in violation of international treaties, human rights and/or land grabbing in the context of Hydro

Power and Coal Power during a Civil Society Workshop on Land Rights & Carbon Markets in Pune. This helped bring attention to the issue of Sasan in particular and Singrauli at large. This was also part of coalition building and we were able to get more organizations to pay attention to the issue.

**c. Coalition activities** were undertaken to build a stronger and larger network of support groups from India and overseas. These groups are increasingly playing supportive role in elevating the Singrauli coal issues to the national and international audience and adding technical eye on project concerns (e.g. public health, social and economic costs) which are essential to sustaining public interest and reinforcing groups' confidence. This support network is important in mobilizing political support as the anti-coal project intensifies.



**Tata Mundra coal power plant, India.** In 2013, communities saw a partial win when the Compliance Advisor/Ombudsman (CAO) found the International Finance Corporation (IFC) guilty of violating several of its policies that is resulting in thousands of fishing families to suffer from air pollution, contaminated water and destroyed marine resources. In 2014, BIC mobilized senior civil society leaders from India in engaging the IFC and CAO to develop an action plan based on CAO's findings. The Compliance Review Panel of the ADB is expected to issue its own report by the end of 2014.

BIC was in the thick of the actions and counter-actions to keep the pressure going after the CAO report on Tata Mundra revealed several violations made by the IFC, which President Kim largely ignored. These include:

- drafted four media responses on behalf of the local organization – Machimar Adhikaar Sangharsh Sangathan (MASS), who filed the CAO complaint.
- submitted a letter addressed to Dr. Kim from over 100 Indian organisations and networks reinforcing the letter from MASS.
- facilitated the writing of religious leaders from India to Dr. Kim reiterating the above points but using religious argument and language.
- facilitated a visit by members of 3 different CSOs to the affected areas,
- facilitated shareholder advocacy by assisting 350.org in mobilising during the Annual General Meeting of Tata Power, the parent company of Tata Mundra, to raise questions about the social and environmental impacts.

**Coal plant in Odisha, India.** BIC continued to monitor the CAO audit process, and facilitated meetings between complainants and the CAO audit team. BIC continued to help strategize with the complainants on World Bank board advocacy over the impending audit report. The audit report is expected soon.

**Oyu Tolgoi Gold/Copper mine, Mongolia.** In 2014, BIC continued to provide strategic advice to Mongolian NGOs on how to engage the IFC and advocate for effective ways to mitigate the



potentially serious environmental and social impacts of the [Oyu Tolgoi \(OT\) Gold/Copper mine](#). BIC is also supporting the work of Mongolian CSOs to engage the World Bank's public sector lending arm on the Mining Infrastructure Investment Support (MINIS) Project, specifically on the Orkhon-Gobi water diversion pipeline and the Shuren hydropower station subprojects, as both pose a significant threat to the country's fragile and limited water resources.

BIC, Oyu Tolgoi Watch, and other international civil society groups wrote a letter to the World Bank Management and Board of Executive Directors in advance of the March 30, 2014 loan negotiation deadline to ask them to consider certain steps before signing the loan agreement and disbursing funds. These include reading upcoming reports, translating the October 2013 audit report, and scheduling a technical briefing with IFC management. The letter was also forwarded to the EBRD, CAO, OT LLC, and Mongolian government. The loan negotiation deadline was pushed back until September 30, 2014, but that deadline also slipped.

In July 2014, BIC facilitated the visit of Sukhgerel Dugersuren, the Executive Director of Oyu Tolgoi Watch and the Coordinator of the regional Rivers Without Boundaries network, to Washington, DC. During her visit, she met with staff from the IFC, World Bank, CAO, and Inspection Panel as well as a number of Executive Directors to discuss the negative impacts on water resources both the OT and MINIS projects pose. Sukhgerel also gave a brown bag recapping her meetings and some of the ongoing struggles in Mongolia to BIC staff. OT LLC's attitude towards the herders and our civil society network has not changed despite our interventions, and so as part of this visit Sukhgerel asked the World Bank Group staff to use their influence and leverage to get the company to change their ways, as life has gotten much worse in Khanbogd since her last visit to the US.

**Giza North Power Project, Egypt.** This project has had major impacts on farmers and surrounding communities' water and land. In February 2013, six Egyptian organizations, two regional CSO networks, and thirty five members of the project-affected community submitted a request for inspection to the World Bank's highest accountability body, the Inspection Panel.

Several Egyptian partner organizations who have been following the North Giza case met with members of the Inspection Panel and the Panel's Secretariat regarding continuing issues with the North Giza Power Plant project case. Following this meeting and subsequent communication with the World Bank office in Cairo, complainants were granted access to a grievance mechanism specific to this project that was designed by World Bank experts and implemented by the implementing company. Through this grievance mechanism and mediation by the World Bank, farmers and community members received compensation for the harms they faced and nearly all complaints have been satisfied at this point.

BIC condensed case study research and materials developed by two Egyptian partner organizations with support from BIC on the Giza North power plant project into a two-page briefer. This briefer was submitted as part of [a compilation of case studies](#) to European Executive Directors of the World Bank and EU government officials as part of BIC's advocacy campaign on the Safeguard policy review to demonstrate the need for strong environmental and social Safeguards at the World Bank. The Giza North case briefer is also available in Arabic and was distributed to CSO partners.

**Titan Egypt Cement Factory Project, Egypt.** BIC is supporting partner CSOs' investigations into the IFC-financed Titan Egypt company's cement factory project in Alexandria, Egypt. The Egyptian Center for Civil and Legislative Reform (ECCLR) and the Egyptian Initiative for Personal Rights (EIPR) have been following reports of labor rights violations by the company and of severe health and pollution issues, and are working directly with communities in Wadi al Qamr, the area surrounding the cement plants to organize the affected people to present a complaint to the IFC's accountability mechanism.

In April 2014, BIC invited a representative of ECESR to attend the World Bank/IMF Spring Meetings in Washington DC and to present her experience working with the impacted laborers, and the initial findings of a case study written by EIPR. In October 2014, EIPR launched the study in Arabic on their website, [here](#), along with a press release in English and Arabic. BIC also provided technical support to the researchers during the preparation of this study.

**Household Natural Gas Connection Project, Egypt.** BIC is supporting our partner Egyptian Center for Civil and Legislative Reform (ECCLR)'s engagement with local community organizations in a Cairo neighborhood who are concerned about the selection process for beneficiary neighborhoods of the Bank-funded Household Natural Gas Connection project in Egypt. BIC is providing technical support and knowledge of Bank processes and policies, and facilitates connection with the Bank office in Cairo when necessary.



**[Uzbekistan Rural Enterprise Support Project](#)**

Civil society groups claim that this project is contributing to the perpetuation of forced labor (both children and adults) in cotton farms. In 2013, the Association for Human Rights in Central Asia, Human Rights Society of Uzbekistan "Ezgulik" and Uzbek-German Forum for

Human Rights filed a [formal complaint](#) to the World Bank Inspection Panel. In 2014, BIC continued to serve as a liaison between the complainants and the Panel.

## V. PROMOTING CITIZEN PARTICIPATION IN DEVELOPMENT LENDING

### Latin America

---

In Latin America, BIC is working with civil society and indigenous groups in Bolivia and Peru in strengthening the environmental impact assessment system of these countries. BIC also re-initiated efforts to help Latin America CSOs in advocating higher access to information and environmental and social standards at the Brazilian Development Bank.

#### **Bolivia**

##### 1) Bolivia Infrastructure Road Project

During 2014, BIC continued supporting the advocacy work of CIDOB (Bolivian Confederation of Indigenous Peoples), CIPTA (Coordinating Organization of the Tacana Indigenous Peoples), and CRTM (Coordinating Organization for the Tchimani and Mosekene Indigenous Peoples) in terms of activities related not only to the protection of their territories from adverse impacts of road construction in the Northern Corridor (Ixiamas – San Buenaventura and Yucumo – Rurrenabaque sections) of Bolivia, but also formulating proposals and negotiating with the Bolivian government’s different programs to enhance positive outcomes and benefits for their territories. Similarly, BIC continued its direct support to the Local Environmental Monitoring Committees (CLMA for its acronym in Spanish), facilitating dialogue and better coordination as well as agreements between indigenous people’s organizations and other critical actors like the local municipalities, intercultural organizations and local farmers’ groups. BIC and FUNDESNA’s support to the CLMAs is directed to strengthen the capacity of each one of its members so the CLMAs become an effective space for dialogue, coordination, negotiation and for social accountability in the northern region of Bolivia.



BIC’s support was also critical in identifying and facilitating contacts, allies and meetings with management and decision-makers at both banks and within different government offices. In addition, BIC continued supporting our partners with technical analyses and assessments of documents related to different initiatives in the Northern Corridor, the identification of key opportunities for advocacy and negotiation, strategic information and advice for advocacy planning and proposals, and helping mobilizing people to La Paz and Washington DC for meetings, advocacy activities and events, as well as building alliances with other institutions to foster a common understanding and agreement for regional planning and sustainable development in northern La Paz.

BIC continued with key training and capacity-building activities and materials before engagement with Bank and government officials. Regular meetings with government officials, World Bank and IDB project teams in Washington DC headquarters as well as in La Paz offices were held to continue negotiations for the effective implementation of the respective indigenous peoples’ plans, the early implementation of mitigation measures, and a participatory approach for

regional planning and a common approach to social and environmental standards in infrastructure projects.

## **Peru**

In 2014, BIC commissioned Juan David Quintero in producing a report entitled “Improving the EIA System in Peru: At the Cross Roads of Efficiency and Effectiveness.” Quintero is a member of the Coordinating Committee of the International Association for Impact Assessment (IAIA). The report made the following recommendations to help strengthen Peru’s environmental impact assessment system:

- 1) A gradual, phased, and controlled rollout of the National Institute for the Environmental Certification of EIAs (SENACE), which requires significant investment in added capacity;
- 2) Tailoring of EIA Terms of Reference (ToRs) to the specificities of the highest risk projects and the undertaking of scoping for these projects;
- 3) Inclusion of cumulative impact assessment in ToRs, particularly for certain hydropower and mining projects, based on potential direct and indirect impacts;
- 4) Investment in institutional capacity building;
- 5) Improving compliance oversight through more frequent site visits, penalties, and possible disbarment; and
- 6) Development of unified procedures for consultation across all sectors.

The paper's priority recommendations target the implementation phase of SENACE in 2014-2015 to ensure gradual steps and avoid a collapse in its early stages.

In April, with the support of Quintero, BIC helped organize a special session to discuss the achievements and challenges in Latin America’s Environmental Impact Assessment (EIA) systems. For this session, the Vice Minister of Environment Mariano Castro was invited to discuss Peru’s initiative with the creation of SENACE (National Institute for the Environmental Certification of EIAs). Patricia Patron from DAR (Derecho Ambiente y Recursos Naturales) also attended the event. We took this opportunity to highlight some of the findings and recommendations of Quintero’s report, as well as to discuss the tendencies of Peru in trying to dilute their environmental legislation in order to increase direct foreign investments in sectors like mining, oil, and agroindustry.

During the IAIA events in April, BIC helped organize a meeting between IDB safeguards unit (Janine Ferreti, Ernesto Monter and Emmanuel Boulet) and Mariano Castro to explore and discuss the possibility of a US\$2-3 million technical cooperation from the IDB to the Ministry of Environment to strengthen the institutional capacity of SENACE during its first years of creation. The idea of such meeting was to have some of the recommendations of the Quintero report taken into consideration if such technical cooperation is successfully negotiated.

After that initial meeting between IDB and the Vice Minister of Environment, BIC was invited to a meeting in DC with IDB staff to discuss Quintero’s paper and discuss the opportunities and challenges within the Peruvian context. They wanted to know our perspective and help to coordinate with World Bank as well.

Similarly, we have several discussions with World Bank staff about a similar approach of having a technical cooperation to strengthen the institutional capacity of MINAM and SENACE. We shared BIC's report and also had several meetings with Ernesto Sanchez-Triana, the team leader of the potential World Bank technical cooperation to MINAM and Juan David Quintero, BIC's consultant.

**An outcome of these discussions is the World Bank operation ([Investments for Environmentally Sustainable Development](#)) that is currently in the pipeline and it is expected to be approved by the World Bank Board of Directors in August 2015.** One of the most important component of this technical cooperation is geared to harvest a demand for environmental governance and social accountability by creating a participatory system for environmental management that gives stakeholders access to some decision making processes during policy formulation, investment and production activities. Another component focuses on strengthening the environmental certification for investments in specific economic sectors, although these sectors have not been yet identified. This same component also will focus on strengthening MINAM, SENACE, and eight sectoral ministries and regional governments' staff capacity and skills in Environmental Impact Assessment. Although many details of the technical cooperation are still not clear, it represents an opportunity to keep advocating for the solid and robust mechanism to strengthen Peru's environmental framework.

In June, BIC had a meeting with Vice Minister of Environment, Mariano Castro, to better understand MINAM's next steps to have SENACE operating, and also to continue discussing the recommendations of BIC's report. During that meeting we learned that SENACE initially will only review detailed EIAs, and that the criteria and procedures to identify the first EIAs were not yet completed. During that meeting we also learned that MINAM was very optimistic that they will get a World Bank technical cooperation to strengthen MINAM/SENACE, although they also acknowledged that they are facing significant opposition from MEF regarding the technical cooperation loan that is being negotiated with World Bank and potentially with the IDB.

During the first quarter of 2014, DAR gathered sound intelligence about a proposal from the Ministry of Economy and Finance (MEF) to dilute the environmental legislation, which they argue is the cause of economic stagnation in Peru. By June, the threats became real when Peru approved via the Permanent Commission of Congress a package reform – el paquetazo – (submitted by the MEF) establishing new tax measures and simplification of procedures and permits for the promotion and revitalization of investment in the country. These measures include the weakening of the Agency for the Assessment and Environmental Control (OEFA), the institution responsible for environmental auditing of extractive companies.

With this “reform,” OEFA for three years will not be able to investigate, penalize or fine violations unless it is an exceptional case, thus weakening the sanctioning power of OEFA. Similarly, the reforms also weaken the Ministry of Environment (MINAM) by removing its power to approve Maximum Permissible Limits (LMP), Environmental Quality Standards (ECA) and removing its authority to establish Reserve Zones as an initial step to determine protected areas under the National Service of Protected Natural Areas (SERNANP), all in favor of public and private investment. Within the MEF's package, there are also clauses that further weaken

processes in place to strengthen environmental enforcement institutions like the recently created National Service for Quality Control of Environmental Impact Assessments (SENACE). Since then, DAR has been actively engaging and promoting dialogue and debates about the technical and political merits of MEF's package for "economic measures for the revival of the Peruvian economy" through analysis and media campaign. BIC's report "Improving the EIA System in Peru: At the Cross Roads of Efficiency and Effectiveness" served as significant technical material to support DAR's advocacy efforts.

In order to further a coordinated effort to promote the strengthening of Peruvian environmental legislation, BIC and DAR agreed to the development of four case studies. These case studies will analyze national sector management systems for the implementation of social and environmental standards (environmental requirements, environmental risk management, due diligence, participation, consultation, etc.) in four high impact economic sectors in Peru - water, mining, hydroelectric and hydrocarbon sectors.

The case studies will help to generate further recommendations to strengthen the National Environmental Assessment System (SEIA) in Peru and its coordination and interconnection with the four sectors of study and regulatory institutions like SENACE and OEFA. DAR has produced different op-eds positioning analysis of the dilution of the environmental legislation in different policy events and news media, as well as submitting specific recommendations to government officials and agencies. Among the different activities planned between DAR and BIC once the case studies are done is to identify and promote opportunities for civil society dialogue with policy makers on strengthening environmental institutions, and articulate a public debate to improve and strengthen the SEIA. The first drafts of the case studies are expected to be done by March 2015.

### **Brazilian Development Bank (BNDES)**

In May 2014, BIC was invited by Brazilian CSOs working on BNDES to explain our institutional history and learning from policy change experiences involving the World Bank Group. BIC prepared several presentation modules that summarized some of the learning from our work to change the World Bank (trends, portfolio analysis, documentation and disclosure, project cycle, institutional analysis and power map, advocacy strategies, bank business model, incentives and culture).

BIC's partner IBASE explained the ongoing dialogue process with BNDES management, history of CSO engagement with the Bank, broader context of factors that could influence change at the Bank, and preliminary analysis of change processes ongoing in BNDES and in the government.

IBASE is coordinating an ongoing dialogue between Brazilian CSOs and BNDES management on several areas of possible policy reform (transparency, safeguards, social inclusion and international investment). IBASE coordination of dialogue with BNDES has been key factor in advanced CSO engagement of BNDES, with some important milestones/tests ahead. IBASE is the only organization doing intentional engagement at BNDES, has some good contacts, but very dependent on the current Bank President and his appointments. Contacts with career staff are less developed. Limited trust and organizational capacity of IBASE and Brazilian CSOs working on BNDES remain a main challenge.

IBASE participates in a network of Latin American organizations that coordinate advocacy on BNDES international projects and to which BIC has provided advice on a forthcoming study comparing safeguards at different development banks. IBASE is also coordinating with partners in the four other BRIC countries to prepare a strategy for engaging the soon to be inaugurated BRICS New Development Bank. IBASE plans to travel to Mozambique to research BNDES investments in Africa. The work to manage the entire Dialogue Forum process (all topics at once) seems to exceed IBASE capacity. IBASE has some information on BNDES operations, but has not yet specifically focused requesting project documents for instance. Information obtained is not systematized.

The main takeaways from the exchange are that while there are similarities in the WB / IFC reform process with those of BNDES, there are also important differences. Much of what BIC and others have learned in what works to change the Bank is relevant to the Brazilian led process of reforming BNDES. There is interest in working more with BIC to apply this learning.

There is demand for learning from World Bank advocacy, particularly in portfolio analysis, document tracing, deepening understanding how safeguards work, Bank power mapping and tactics for expanding internal contacts. IBASE signaled that interest in an advisory role for BIC exists in ongoing work toward reforming BNDES. Future collaboration could involve BIC moving to intentionally plan, develop tools and market its role in advising advocacy toward BNDES, as well as other non-WB financial actors. Interest in BIC's BNDES business model (sources of revenue, profit centers, disguised losses, and vulnerabilities) could be a topic of future capacity strengthening.

The meetings between BIC and IBASE on WB/BNDES advocacy strategies were successful in exchanging info, exploring areas of partnership, and agreeing on next tentative steps to formulate an MOU. The meetings provided an important opportunity to identify areas of future institutional collaboration on issues of mutual interest.

## **Middle East**

---

BIC's Middle East and North Africa Program seeks to build the technical and advocacy skills of civil society in Egypt, Yemen, and Tunisia in order for them to effectively engage the World Bank in a way that pushes for greater transparency, accountability and participation at the World Bank Group's operations in their countries and consequently with their respective governments.

BIC's MENA program led BIC's engagement with the Bank on its new Country Engagement Approach, and developed and promoted - in collaboration with other CSOs - [policy recommendations](#) regarding the new tools the Bank is piloting. This advocacy effort was successful on several fronts as was seen in the revised policy directives. BIC continues to monitor and seek opportunities to strengthen the new Approach. At the country level, BIC has worked in

## Egypt

Our work has progressed from initially helping individual partners to examine the impacts of specific World Bank-financed development projects in Egypt, to providing technical support to an independent coalition of Egyptian groups to monitor projects and advocate on global Bank policies. We have seen an increased initiative and commitment from our core partners in Egypt to engage in more systematic advocacy on World Bank projects and policies, and have witnessed and supported their increased capacity to develop and implement more sophisticated advocacy campaigns. During a regional workshop hosted by BIC in September 2014, our 6 core Egyptian partners decided together to formalize their work together by creating a coalition to monitor the World Bank's projects and policies in Egypt and to conduct advocacy campaigns together on the Bank. This coalition has defined its goals and resources, and has also developed a plan for a media campaign to support their advocacy campaigns on the Bank's Safeguard policies and the Country Partnership Framework development process. For the first time, this coalition of groups decided to reach out to their broader networks of local community organizations, labor unions, farmers associations, and youth groups to facilitate these groups' engagement in a consultation on the World Bank Safeguard policies.

At the level of our advocacy campaigns together with these partners, we have seen significant gains in changing the World Bank's policies that apply to Egypt and globally to become more participatory and accountable. One of these key policy asks during this grant period has been that the Bank include in its systematic country diagnostics for the MENA region an assessment of the environment for civic engagement.

Following demands from our partners and from BIC, the **Bank has agreed in principle to include in its Systematic Country Diagnostic process** as part of assessing a country's governance, **an assessment of aspects related to the environment for civic engagement** in countries where a Country Partnership Framework or CPF is being developed, Egypt being among the very first of those countries.

Another key outcome of this advocacy has been the increased space for meaningful civil society and stakeholder participation in the Bank's process of preparing a CPF for Egypt. This ask for meaningful consultation process at each phase of CPF preparation was also reflected as a result of our advocacy in the Bank's new directives which govern the CPF preparation process in all countries where the World Bank operates.

Over the course of the project, we have experienced various challenges, primarily in terms of the decreasing space for civil society to operate freely and confidently in Egypt. We have addressed these challenges by maintaining a flexible work plan that has allowed us to easily make adjustments in the timing and implementation of our planned activities, to ensure the safety of our team and our partners.

## Tunisia

We have worked with individuals and groups in Tunisia through information sharing to engage in the Bank's processes of setting its new strategies for each country. We have also engaged

some CSOs there in broader policy-level work that has been a new venue for them to do advocacy on the Bank and also to understand the ultimate connection between all levels of Bank work whether at the country or broader policy level. In addition, we have brought our Tunisian partners together with Egyptian and Yemeni partners in a regional workshop in order to facilitate opportunities for sharing experiences and learning from each other, and to strategize together on how to move forward with their respective advocacy campaigns.

In March 2014, BIC, in coordination with our local partner Touensa, organized a workshop for a new group of CSOs who are interested in budgetary work among other issues. This was an opportunity for us to meet new CSOs and expand the pool of CSO partners in Tunisia. The group showed interest in World Bank issues and the CPF campaign and we followed the workshop with individual meetings to specifically discuss what work we can do together. Some of these CSOs also accompanied us to a meeting with the World Bank country director which was an important opportunity for them to establish contact with the Bank in Tunis.

## **Yemen**

The World Bank continues to play a major role in Yemen. It coordinates aid flowing into the country, and provides technical assistance. Given this significant role, BIC has been working with different elements of Yemeni civil society to help promote greater understanding of the Bank and the opportunities to influence its operations.

Although there have been significant changes in the World Bank's timeline for developing its strategy in Yemen and the Bank's overarching policy for country strategies, as well as a volatile security situation in Yemen, we succeeded in achieving significant outcomes during this period, including pushing the Bank for an open consultative process once the Bank starts the Country Partnership Framework (CPF) process in Yemen, preparing civil society organizations to engage in the CPF, and influencing the Bank's new global policies associated with the CPF and Systematic Country Diagnostic (SCD), primarily to promote and mandate quality consultation with civil society.

In 2014 BIC also supported two partner organizations to monitor and report on Bank-funded infrastructure projects (roads and sanitation projects) in various governorates in Yemen. We also worked with Yemen Parliamentarians Against Corruption (YPAC) to train a group of Yemeni MPs on the Bank's grant/loan process, project cycle and what role they can play in foreign aid oversight.

## **Iraq**

BIC received support from the National Endowment for Democracy (NED) to provide hands-on training to Iraqi civil society organizations (CSOs) on advocacy, monitoring and accountability tools and skills using the World Bank Group as a model target.

This would be BIC's first experience working on Iraq and as such, the first quarter of this grant (Sep-Dec 2014) was spent conducting desk research and developing a country study on Iraq.

## **Asia**

---

CSO groups in Asia were quite active in the international campaign to strengthen the World Bank's social and environmental standards, especially with regard to involuntary resettlement. BIC also worked actively with national groups on various issues in Burma, Cambodia, India and Vietnam.

### **India**

**Anti-coal campaign in India.** BIC worked to consolidate a solid and broad opposition to World Bank-financed coal projects in India using informed, legal, and nonviolent strategies. See section on problem projects, particularly on the Sesan and Tata Mundra coal plant.

### **Burma**

BIC continued to support local communities in developing comments on the new Country Partnership Framework process. The comments were submitted to the Bank in September. BIC has been successful in getting World Bank management to agree to a country safeguards assessment based on the interventions of CSOs in this process.

BIC shared information on upcoming WBG projects in Burma such as the Telecommunications Sector Reform Project, Yoma Equity, and Agricultural Development Support Project. BIC met with the relevant Bank staff and board members to relay their suggestions to improve these projects. BIC continued to assist IFI Watch Myanmar in monitoring the World Bank's Community Driven Development project.

BIC brought partners to the World Bank Spring meetings to discuss the intersection between energy, agriculture and conflict. There was a panel during the Annual Meetings to discuss conflict-sensitive approaches to WB investments in Burma (including lessons learned from Sri Lanka and Sudan).

### **Cambodia**

In 2014, BIC assisted Cambodian NGOs in developing and submitting their recommendations on the Cambodia/World Bank development plan for the next couple of years (called Interim Strategy Note or ISN). The World Bank duly recognized and received the joint submission by the Cambodian NGOs represented by the NGO Forum on Cambodia.

The joint submission was a product of an ISN orientation and strategy meeting of more than 50 Cambodia-based organizations. The submission outlined their broad recommendations, which are organized around four action areas, namely:

- ensure transparency, accountability and good governance,
- ensure broad participation ,
- increase budget allocation of provision of financial support, and

- initiate much needed reforms in the education and public health sectors.

What is notable in these recommendations is their push for the establishment of a proper remedy for populations that have been and still are suffering from forcible evictions associated with World Bank investments.

Meanwhile, their submission was also marked by forward looking propositions including the enforcement of safeguards and transparency policies in the upcoming grants and loans, attention to supporting irrigation to enhance agricultural production and access to micro-credit. They also asserted that the World Bank should remain independent from the government – and by extension, continue with the planned establishment of an independent fund to provide compensation and livelihood restoration support to WB project-evicted families.

BIC and NGO Forum on Cambodia worked to ensure that the World Bank conducted transparent consultations on the Interim Strategy Note with as many CSOs as possible. To address reports of selectivity, the World Bank formally requested NGO Forum on Cambodia to provide a list of community organizations and NGO networks that the Bank should reach out to for consultations in Siem Reap, Kampong Cham, Phnom Penh and Preah Siahnoug as these cities are accessible to the surrounding provinces. The list of groups was provided based on Forum’s consultation with Cambodia Coordinating Committee, Equitable Cambodia, Housing Rights Task Force and Khmer Youth Association.

### **Vietnam**

In July 2014, BIC published a [paper](#) that focuses on the two year progress in implementing the [Program for Results financing for the Rural Water Supply and Sanitation program in Red River Delta region of Vietnam](#). The paper provides critical evidence on the risks of moving to the greater use of frameworks and borrower systems without robust safeguards. The findings of the research paper are timely given the ongoing World Bank’s review of Program for Results (P4R) pilot operations, a planned evaluation by the World Bank Independent Evaluation Group of P4R in FY16, and measures proposed in the World Bank’s proposed Safeguard Framework that prioritize greater use of borrower systems for managing environmental and social risk.

### **General Mekong**

In April 2014, BIC organized with the Asian Indigenous Peoples’ Pact Foundation and the Forest People Program a *Training on International Financial Institutions’ Safeguards and Grievance Mechanisms in Sagada, Northern Philippines*. This brought together 25 Indigenous Peoples’ leaders from 21 indigenous organizations in 8 Asian countries, including the Mekong countries.

This workshop provided orientation and technical support for groups in Mekong who are advocating for land and livelihood rights protection in the context of new lending instruments for climate and development finance in the region. The output of this training was a set of recommendations for the revision of World Bank Group and Asian Development Bank safeguard policies on Indigenous Peoples, submitted to the aforementioned institutions with international endorsements.

In June, as part of our information and analytical support, we organized a seminar in Bangkok, *Understanding the role of financial intermediary and other lending instruments of development finance*. This initiated people in the region to unpack a new generation of investment instruments and their complex flows to inform peoples' advocacy options.

The event was jointly organized by BIC, the NGO Forum on ADB, Equitable Cambodia, Alliance Against Mining-Philippines and Program for Social Action-India. Twenty representatives attended from influential groups including Forum Asia, TERRA, Solidarity Center, Earthrights International, Highlanders Association from Ratanakiri, Cambodia and the Center for Biological Diversity, Vietnam. BIC provided the broader politics of financial intermediaries (FI), and the flow and framework for disbursements. It also drew lessons from recent FI project cases such as those from Orissa, India (coal plant), Ratanakiri, Cambodia (rubber plantation expansion) and Honduras (agribusiness expansion).

### **Community Forestry**

In 2014, we organized a two-day regional workshop that brought together community forestry practitioners, indigenous peoples, researchers, and civil society organizations to share experience and develop strategies targeting governments and the climate finance administrators. Specific objectives were to: 1) engage in a comparative discussion about overcoming challenges and seizing opportunities to sustain community forestry, and ways to advance this agenda from local to national, regional, and international levels; and 2) Identify existing initiatives and possible strategies to advocate for mainstreaming community forestry in REDD+ finance, including the FCPF, FIP and other REDD+ related programs in SEA.

As a result of the workshop, a joint comment was developed making a case for using REDD+ funds to support the scaling up of community forestry through policy reform and on-the ground support, the roles civil society and forest-dependent communities can perform and targeted recommendations to the WB, ADB and UNREDD how such funds can be accessed and used to advance climate finance initiatives. While this will not be public, this comment, along with the presentations, will be submitted to the concerned IFIs natural resource management specialists who requested the documents.

Several groups in Cambodia, Laos, and Burma expressed their request for BIC to help them engage the World Bank in advocating for more community forestry projects.