



Bank Directive/Procedure

Environmental and Social Directive/Procedure for Investment Project Financing

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SECTION I – PURPOSE AND APPLICATION

1. This Directive/Procedure sets out the mandatory requirements for the implementation of the Environmental and Social Policy for Investment Project Financing (IPF).
2. This Directive/Procedure applies to the Bank.

SECTION II – DEFINITIONS AND ACRONYMS

As used in this Directive/Procedure, the capitalized terms and acronyms have the meanings set out (a) in Section II of the Bank Policy, “Investment Project Financing”; (b) in the ESF; or (c) below.

- 1) **ADM:** Accountability and Decision-Making roles set out in the “Guidance on the Accountability and Decision Making Framework.”
- 2) **AESS:** Accredited Environmental and/or Social Specialist.
- 3) **Bank Directive, “Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups”:** establishes directions for Bank Staff regarding due diligence obligations relating to the identification of, and mitigation of risks and impacts on, individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable.
- 4) **Borrower’s ES Framework:** as described in Section B of the Environmental and Social Policy for IPF, *Use and strengthening of borrower’s environmental and social framework*.
- 5) **CESSO:** Chief Environmental and Social Standards Officer.
- 6) **Concept Decision:** the point at which management decides whether to proceed with the preparation of the IPF operation as described in the Bank Directive, “Investment Project Financing”, and at which the Environmental and Social Risk Classification (ESRC) is confirmed.
- 7) **CL:** Country Lawyer.
- 8) **EHSGs:** Environmental, Health and Safety Guidelines of the World Bank Group.
- 9) **ES:** Environmental and Social.
- 10) **ESCP:** Environmental and Social Commitment Plan as described in Section E of the Environmental and Social Policy for IPF.
- 11) **ES Directives:** This Directive/Procedure, the Bank Directive, “Addressing Risks and

Impacts on Disadvantaged or Vulnerable Individuals or Groups”, and other Directives that are directly related to the ESF.

- 12) **ESF**: Environmental and Social Framework of the Bank, as may be amended from time to time, which consists of a Vision for Sustainable Development, the World Bank Environmental and Social Policy for IPF and ten Environmental and Social Standards.
- 13) **ES HEIS**: Environmental and Social Hands-on Expanded Implementation Support.
- 14) **ESMS**: Environmental and Social Management System in the Bank system.
- 15) **ES PMs**: Practice Managers of the Environment, Natural Resources and Blue Economy Global Practice (ENB) and Social Sustainability and Inclusion Global Practice (SSI) of the World Bank.
- 16) **ES Policy**: Environmental and Social Policy for Investment Project Financing (IPF).
- 17) **ESRC**: Environmental and Social Risk Classification of a Project, which may be *High Risk, Substantial Risk, Moderate Risk* or *Low Risk* in accordance with Section III.C and Annex I of this Directive/Procedure.
- 18) **ESRS**: Environmental and Social Review Summary.
- 19) **ESS**: Environmental and Social Standard.
- 20) **GP**: Global Practice of the World Bank.
- 21) **GRS**: Grievance Redress Service of the World Bank.
- 22) **GRS Risk Classification**: the rating of High, Moderate or Low assigned to eligible complaints by the GRS, based on the level of risk, urgency, severity and potential for escalation of conflict, considering the issues raised and the information available.
- 23) **ISR**: Implementation Status and Results Report.
- 24) **LEGEN**: Environment and International Law Unit, Legal Vice-Presidency of the World Bank.
- 25) **LEGEN CC**: Chief Counsel, LEGEN.
- 26) **OESRC**: Operations Environmental and Social Review Committee.
- 27) **OPCS**: Operations Policy and Country Services.
- 28) **PAD**: Project Appraisal Document.
- 29) **PCN**: Project Concept Note.

- 30) **PM:** Practice Manager in a Global Practice of the World Bank.
- 31) **Regional SD departments:** Sustainable Development departments of each Region, headed by a Sustainable Development Regional Director.
- 32) **RSA:** Regional Environmental and Social Standards Advisor.
- 33) **Safeguard Policies and Procedures:** Ops/BPs 4.00, 4.01, 4.02, 4.03, 4.04, 4.07, 4.09, 4.10, 4.11, 4.12, 4.36, and 4.37.
- 34) **SEA/SH:** Sexual Exploitation and Abuse / Sexual Harassment.
- 35) **Staff:** persons holding an appointment under Staff Rule 4.01, "Appointment", including consultants.
- 36) **SEP:** Stakeholder Engagement Plan.
- 37) **Team Leader (TL):** Staff assigned to lead IPF Task Teams.
- 38) **TOR:** Terms of Reference.
- 39) **TT:** Task Team.

A. Application

1. This Directive/Procedure applies to all IPF operations applying the Environmental and Social Framework (ESF), that is, all IPF operations with a Concept Decision or equivalent on or after October 1, 2018, except for: (a) IPF operations where OP/BP 4.03 applies; and (b) additional IPF operations where the original Project is subject to the Safeguard Policies and Procedures, proposed to address exclusively a cost overrun or financing gap, in which case the Safeguard Policies and Procedures apply to the additional IPF.
2. As set out in the Environmental and Social Policy, paragraph 3, the responsibilities of the Bank to manage ES risks and impacts of a Project are to:
 - a. undertake its own due diligence of proposed Projects, proportionate to the nature and potential significance of the ES risks and impacts related to the Project;
 - b. as and where required, support the Borrower to carry out early and continuing engagement and meaningful consultation with stakeholders, in particular affected communities, and in providing Project-based grievance mechanisms;
 - c. assist the Borrower in identifying appropriate methods and tools to assess and manage the potential ES risks and impacts of the Project;
 - d. agree with the Borrower on the conditions under which the Bank is prepared to provide support to the Project, as set out in the ESCP; and
 - e. monitor the ES performance of a Project in accordance with the ESCP and the ESSs.

B. Roles and Responsibilities

1. The management of ES risks and impacts is carried out collaboratively and as appropriate by Staff in OPCS, Regional SD departments, ENB and SSI GPs, RSAs, managing unit GPs, TTs, and LEGEN.
2. The level of clearance required for ES documents depends on the level of risks and impacts of a Project, as determined in the ESRC.
3. The CESSO is responsible for the general oversight, coordination, monitoring and consistency in the application of the ESF and the ES Directives/Procedure, including the following functions:

- a. serving as the interpreter of the ESF, the ES Directive/Procedure, Guidance and materials directly related to the ESF, and advising on their application and implementation;
- b. monitoring the overall functioning of the ESF, including consistency in ESF application and reporting on the application of the ESF to senior management and the Board;
- c. issuing Guidance in relation to the ESF;
- d. clearing waiver proposals related to the provisions of the ESF and the ES Directives/Procedure, taking into account advice from ES PMs and/or the RSA and LEGEN CC, as appropriate, for decision pursuant to the Bank Policy, "Operational Policy Waivers", and the Bank Procedure, "Operational Policy Waivers and Waivers of Operational Requirements";
- e. proposing amendments to as well as leading any review and update of the ESF and the ES Directive/Procedure;
- f. designing and updating ES operational systems;
- g. resolving any disagreement on the ESRC for a Project by making the final determination of the ESRC;
- h. chairing the meetings of the OESRC and recording its advice on ESF-related issues;
- i. resolving ES issues when technical advice by the CESSO is necessary;
- j. advising, at the CESSO's discretion, on the type and scope of due diligence required and the use of Borrower's ES Framework for Projects classified as *High Risk*, in consultation with the RSA;
- k. providing advice to the GRS and TTs on complaints received by the GRS, as needed, particularly for high-risk complaints (as classified under the GRS Risk Classification) and advising on the escalation of high-risk complaints;
- l. advising on corporate ES risk reviews and portfolio monitoring, helping ensure the Bank's ES work on managing operational risk is consistent with evolving corporate approaches and international practices;
- m. advising on ES arrangements for *High Risk*, complex and innovative operations;
- n. advising on ES capacity- building initiatives of Borrowers and any ES-related reform programs; and

- o. engaging with other multilateral and bilateral organizations and development agencies on ES policy issues with the objective of enhancing coherence, co-operation and harmonization of Bank requirements relating to ES risks and impacts, including the ESF.
- 4. The Directors of Regional SD Departments are responsible for carrying out the following:
 - a. supervising ES PMs in the exercise of their ESF-related functions;
 - b. ensuring, through the ES PMs, appropriate and proportionate Project ES due diligence, implementation support and monitoring of the Project's ES performance;
 - c. advising on the level of resources (Staff and budget) needed to implement the ESF, overseeing operational staffing decisions (recruitment, promotion, work allocation, etc.);
 - d. overseeing Staff development and training;
 - e. participating in the OESRC when issues of regional significance are discussed; and
 - f. managing, in concert with the CESSO, the ESF accreditation process, including through provision of training to ES specialists and consultants.
- 5. The Global Directors of ENB and SSI will carry out the following in coordination with OPCS:
 - a. supporting the overall functioning of the ESF, including through thematic reviews, and analytical work on ES issues addressed in the ESF;
 - b. participating in the OESRC;
 - c. collating, curating, and delivering knowledge on lessons learned on ESF implementation and promoting innovation in implementation;
 - d. conducting training on select aspects of the ESF; and
 - e. supporting strengthening of client ES management systems and capacity, including by identifying, documenting, and disseminating good practice examples.

6. The RSA is responsible for the following:

- a. clearing, at the Concept stage, the ESRS and ESRC for all Projects;
- b. for *High Risk Projects*, advising on Project ES issues, as requested by the TT, PM, or AESS;
- c. for *High Risk Projects*, at the Appraisal stage, clearing the ESRS, ESCP, SEP, and any other ES documents;
- d. for *High Risk Projects*, during implementation, clearing ES documents prepared after Board approval and any updates to the ESCP;
- e. for *High Risk Projects*, during implementation, monitoring the ES risk level and assessing recommendations of the AESS to make changes to the ESRC;
- f. during Appraisal and implementation, clearing any change in the ESRC from *High Risk* to *Substantial Risk* or *Substantial Risk* to *High Risk*;
- g. during Appraisal and implementation, clearing any changes in the ESRC from *High Risk* to *Moderate Risk* or *Low Risk*, or from *Moderate Risk* or *Low Risk* to *High Risk*;
- h. for *High Risk Projects*, during implementation, overseeing the monitoring of ESCP implementation, in coordination with ES PMs;
- i. for *High Risk Projects*, during implementation, reviewing the ES input and ESS performance rating in the ISR, as needed;
- j. for *High Risk Projects*, as part of restructuring, clearing the ES inputs to the restructuring package, including new or updated ES documents and any updates to the ESCP, if the restructuring involves changes to the project that require additional ES due diligence; and
- k. providing information on relevant Project risks to the CESSO, as needed.

7. The ES PMs are responsible for the following:

- a. nominating ES Staff for ESF accreditation;
- b. assigning AESS to Projects and supervising them;
- c. allocating and overseeing the budget for ESF preparation and implementation;
- d. clearing, at the Concept stage, the ESRS and ESRC for all Projects;

- e. for *Substantial Risk Projects*, advising on Project design and the type and scope of ES documents required;
 - f. for *Substantial Risk Projects*, at the Appraisal stage, clearing the ESRS, ESCP, SEP, and any other ES documents;
 - g. for *Substantial Risk Projects*, during implementation, clearing ES documents prepared after Board approval and any updates to the ESCP;
 - h. for *Substantial Risk Projects*, monitoring the ES risk level during implementation and assessing recommendations of the AESS to make changes to the ESRC;
 - i. during Appraisal and implementation, clearing any changes in the ESRC from *Substantial Risk to High Risk* or from *High Risk to Substantial Risk*;
 - j. during Appraisal and implementation, clearing any changes in the ESRC from *Substantial Risk to Moderate Risk* or *Low Risk*, or from *Moderate Risk* or *Low Risk to Substantial Risk*;
 - k. for *Substantial Risk Projects*, during implementation, providing ongoing advice and overseeing the monitoring of ESCP implementation;
 - l. providing advice on implementation support to AESS for Projects at all ES risk levels;
 - m. for *Substantial Risk, Moderate Risk* or *Low Risk Projects*, reviewing the ES input and ESS performance rating in the ISR, as needed;
 - n. for *Substantial Risk Projects*, as part of restructuring, clearing the ES inputs to the restructuring package, including new or updated ES documents and any updates to the ESCP, if the restructuring involves changes to the project that require additional ES due diligence; and
 - o. providing information on relevant Project risks to the CESSO, as needed.
8. The PMs of the relevant GPs are responsible for supporting the preparation and implementation of the Project in accordance with the ESF.
9. The TT, including the AESS, is responsible for Project-level preparation, implementation support and monitoring activities relating to the ESF. The AESS carries out the following:
- a. undertaking Project ES due diligence, and providing recommendations to the Borrower regarding Project design and appropriate ES mitigation measures;

- b. assisting the Borrower in the identification of relevant ES assessment tools and methods taking into consideration relevant aspects of the Borrower's ES Framework;
- c. preparing, for Concept and Appraisal review, the ESRS;
- d. circulating, for Concept and Appraisal review, the ESRS, ESCP, SEP, and other ES documents, as relevant, as part of the Project Concept or Appraisal package. To ensure consistency between the ESCP and the legal agreement, the TT shares a draft ESCP with the Country Lawyer for review as early as possible and before clearances are sought;
- e. for *Moderate Risk* or *Low Risk* Projects, at the Appraisal stage, clearing the ESCP, SEP, and any other ES documents;
- f. for *Moderate Risk* or *Low Risk* Projects, during implementation, clearing ES documents prepared after Board approval and any updates to the ESCP;
- g. during implementation, monitoring the ES risk level and assessing if there is any need to make changes to the ESRC;
- h. during Appraisal and implementation, finalizing changes in the ESRC from *Moderate Risk* to *Low Risk* or from *Low Risk* to *Moderate Risk*, and recommending any other changes to the ESRC;
- i. during implementation, providing ongoing advice and overseeing the monitoring of ESCP implementation for Projects at all risk levels;
- j. promptly notifying the GPs responsible for the Project if significant additional risks and impacts are identified during Project implementation, and documenting these in the ISR;
- k. carrying out ES-related implementation support, monitoring and Borrower capacity building;
- l. monitoring grievances related to implementation at the Project-level, including referring complaints to the GRS, as set out in the GRS Procedure;
- m. preparing the ES input and ESS performance rating and validating the Project's ESRC, in the ISR;
- n. as part of restructuring, preparing the ES inputs to the restructuring package;
- o. for *Moderate Risk* or *Low Risk* Projects, as part of restructuring, clearing the ES inputs to the restructuring package, including new or updated ES documents and any updates to the ESCP, if the restructuring involves

changes to the project that require additional ES due diligence; and

p. providing information on relevant Project risks to the CESSO, as needed.

10. The LEGEN CC is responsible for, and together with relevant LEGEN Staff, carries out the following:

a. providing legal advice on the ESF, the ES Directives/Procedure and ES risk-related advice;

b. upon request, providing project-specific legal advice on ES matters in coordination with the Country Lawyer;

c. supporting the monitoring of the overall functioning of the ESF, in collaboration with the CESSO, including through thematic reviews;

d. reviewing and clearing TOR for consultants hired to carry out legal work with ES content; and

e. advising on the use of Borrower's ES Frameworks for *High Risk* Projects.

11. The OESRC is responsible for the following:

a. issuing advice on complex or sensitive ES aspects of Bank-supported operations;

b. supporting the CESSO in interpreting the ESF, ES Directives/Procedure, Guidance and materials directly related to the ESF, and in advising on their application and interpretation; and

c. providing advice to Staff in addressing issues arising from studies and investigations carried out by the Accountability Mechanisms, such as Inspection Panel cases.

C. Screening and Risk Classification

1. The Bank supports the Borrower in undertaking ES screening for IPF Projects to determine: (i) the expected risks and impacts of a proposed Project on people and the environment and their relative significance, (ii) the most appropriate ES tools and methods, and (iii) the ESRC.

2. Relevant criteria for the ESRC are provided in Annex I and procedures for changes in the ESRC are provided in Annex II of this Directive/Procedure.

3. Based on the ESRC, the Bank allocates responsibilities, resources and implementation support to a Project. The ESRC is intended to ensure that:

- a. the Bank has accurate and up-to-date information regarding the status of the Project, including issues that could affect the ES performance and outcomes of the Project; and
 - b. the Borrower dedicates sufficient resources and is provided with targeted implementation support to help fulfill the commitments set out in the legal agreement, including the ESCP.
4. The Bank provides implementation support to the Borrower to determine the appropriate extent and mode of ES assessment, mitigation measures, and ES monitoring arrangements that are proportionate to the risks and impacts of the Project.
5. The Bank monitors ES risks and Borrower's compliance with ES requirements throughout the Project cycle and documents its findings through regular reviews and, as necessary, revisions of the ESRC to reflect accurately the level of risk the Project presents. In particular, the Bank takes into account risks or impacts of the Project that were not foreseen or anticipated; changes to the Borrower ES Framework; ongoing ES performance of the Project; the commitment of the Borrower; and the information in the ESCP, monitoring reports, the ISR and other relevant documents that may be available during implementation.

SUB-SECTION III.1 – SUPPORT FOR ES ASSESSMENT

1. The Borrower carries out an ES assessment of the Project in accordance with the requirements of ESS1.
2. The Bank supports the Borrower in determining the process to be followed, and the different methods and tools to be used by the Borrower to carry out the ES assessment and to document the results of such an assessment. These are described in general terms in ESS1, Annex 1. The ES assessment considers the ES risks of the Project throughout the Project life-cycle and identifies appropriate mitigation measures.
3. As necessary, the Bank supports the Borrower in preparing the TOR for any tools (including those required by specific ESSs) to be used as part of the ES assessment, ensuring that these reflect the need for adequate inter-agency coordination at the country level and consultation with stakeholders.
4. Staff may assist the Borrower in carrying out greenhouse gas estimates for Projects, where capacity is lacking, for example, in FCV and IDA Projects.
5. Staff may assist the Borrower in carrying out ES assessments as part of ES HEIS, as further described in Sub-Section III.7 and Annex V of this Directive/Procedure.

SUB-SECTION III.2 – BANK DUE DILIGENCE

1. The Bank carries out ES due diligence of all proposed Projects, as required by the Bank Policy, “Investment Project Financing”. The ES due diligence is appropriate to the nature and scale of the Project and proportionate to the level of ES risks and impacts.
2. The Bank’s ES due diligence assesses whether the Project is capable of being developed and implemented in accordance with the ESSs or, where the Bank is relying on the Borrower’s ES Framework for all, or part, of the Project, whether this is likely to address the risks and impacts of the Project and enable the Project to achieve objectives materially consistent with the ESSs.
3. Where a Project poses specific risks and impacts to individuals or groups who, because of their particular circumstances, may be disadvantaged or vulnerable, the TT, including the AESS, will approach such risks and impacts in accordance with the Bank Directive, “Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups”.
4. As part of its due diligence, the Bank:
 - a. reviews relevant aspects of the ES assessment with the Borrower;
 - b. reviews ES measures in Project procurement documents, as applicable;
 - c. reviews ES measures in the Project Operations Manual, as applicable;
 - d. determines whether the recommendations of the ES assessment are properly incorporated into Project design and addressed during implementation;
 - e. assesses the roles and capacity of institutions responsible for management of ES risks and impacts;
 - f. reviews the Borrower’s ES Framework and timetable for gap filling measures, as applicable;
 - g. discusses with the Borrower the measures and actions, and the respective completion dates, to be included in the ESCP; and
 - h. agrees with the Borrower on the necessary institutional and financing arrangements for implementing the measures and actions set out in the legal agreement, including the ESCP.

5. The AESS prepares the Concept and Appraisal ESRS, which sets out an accurate and concise record of the Bank's due diligence of the Project during preparation. As information becomes available, the Appraisal ESRS includes the following:
 - a. a description of the Project and any Associated Facilities (as defined in ESS1);
 - b. a description of the key potential ES risks and impacts of the Project;
 - c. the sources of information on which the Bank's due diligence has been based;
 - d. a discussion of the key ES risks and impacts by reference to the relevant ESSs, and the proposed mitigation measures;
 - e. a summary of the relevant aspects of the Borrower's ES Framework and of measures proposed to address any gaps in relation to the ESF;
 - f. a discussion of any measures in Project design to enhance sustainability; and
 - g. the ESRC.

SUB-SECTION III.3 – USE OF BORROWER'S ES FRAMEWORK

1. In accordance with the ES Policy, the Bank and Borrower consider whether to use all, or part, of the Borrower's ES Framework in the assessment, development and implementation of a Project supported by the Bank. The approach and methodology outlined in this Directive/Procedure supports the use of the Borrower's ES Framework when appropriate.
2. If the Bank and the Borrower propose to use the Borrower's ES Framework, the Bank assesses the aspects of the Borrower's ES Framework that are relevant to the Project. The Bank assesses the extent to which such use is likely to address the ES risks and impacts of the Project and enable the Project to achieve objectives materially consistent with the ESSs.
3. The Bank considers whether such use will result in an ES assessment of the Project which properly identifies the material risks and impacts of the Project and supports the design and implementation of mitigation measures consistent with the mitigation hierarchy set out in ESS1 and, as relevant, in the ESSs. Depending on the significance of specific risks and impacts of the Project, the assessment of the Borrower's ES Framework includes an evaluation of specific aspects of the Borrower's ES Framework against the relevant requirements of the ESSs. The assessment is carried out only where there is a reasonable likelihood that the specified aspects could be utilized in accordance with the ES Policy, paragraph 25.

4. When assessing the Borrower's ES Framework, the AESS reviews and documents in the Appraisal ESRS the following, as relevant to the specific ES risks and impacts of the Project:
 - a. the country's general policy, legal and institutional framework;
 - b. laws, regulations, rules and procedures (including permits and approval requirements) applicable to the Project, including regional and local requirements, and any other Borrower strategies and policies that may be relevant;
 - c. inconsistencies, lack of clarity or conflict as to relevant authorities or jurisdiction, including differences between national and regional/local authorities or jurisdictions;
 - d. previous experience with the Bank or other international financing institutions and the track record of the Borrower and the national, subnational, sectoral and local institutions involved in the preparation and/or implementation of the Project;
 - e. technical and institutional capacity of the Borrower and relevant national, subnational or sectoral implementing institutions or agencies related to the Project;
 - f. whether use of the Borrower's ES Framework, or aspects thereof, is likely to address the ES risks and impacts of the Project, and enable the Project to achieve objectives materially consistent with the ESSs; and
 - g. gaps in the Borrower's ES Framework that would prevent the Project from achieving objectives materially consistent with the ESSs.
5. The Bank engages with relevant stakeholders when assessing the Borrower's ES Framework. The aim is to inform the Bank's assessment of the Borrower's ES Framework and the design of measures and actions to address any gaps that may be identified.
6. The TT, including the AESS, works with the Borrower to agree on Project-specific measures and actions to address the identified gaps in the Borrower's ES Framework. The TT ensures that the Appraisal ESRS summarizes and the ESCP incorporates such measures and actions, as well as the agreed timeframes and all relevant information related to the implementation of these actions and measures.
7. The decision to use all or part of Borrower's ES Framework is documented in the PAD. Where the Bank becomes aware of a change in the Borrower's ES Framework that may materially adversely affect the Project, the Bank assesses the extent to

which the change is inconsistent with the ESSs and the ESCP and discusses with the Borrower how to address the change and any additional actions and measures that may be required.

8. Use of the Borrower's ES Framework may not be appropriate in cases where, inter alia, the capacity and institutional aspects are limited; the context is one of fragility and/or conflict; or gaps have been identified for which no Project-specific actions and measures are feasible, or the identified measures and actions are unlikely to be implemented.

SUB-SECTION III.4 – OTHER MULTILATERAL OR BILATERAL FUNDING AGENCIES

1. The Bank may decide to rely on the ES requirements, standards, due diligence and monitoring activities of other agencies for: (i) a Project it jointly finances with other multilateral/bilateral funding agencies for which it agrees to use a common approach for the assessment and management of ES risks and impacts; and (ii) Associated Facilities funded by other multilateral/bilateral funding agencies.
2. In determining whether the common approach or the requirements referred to in paragraph 1 are acceptable, the Bank takes into account the policies, standards, and implementation procedures of the multilateral or bilateral funding agencies. Depending on the significance of specific risks and impacts of the Project, the development of a common approach may involve analysis that will enable such an approach to satisfy the relevant requirements of the ESSs.
3. Where the Bank has agreed to apply a common approach or to rely on the requirements of other agencies, the Bank may choose to rely on the ES due diligence, monitoring and implementation support conducted by such agencies.
4. Where the Bank chooses to rely on the activities of other agencies for preparation or implementation support, the Bank concludes written arrangements with such agencies and the Borrower, so that the Bank is kept adequately informed on an ongoing basis of:
 - a. the status of the Project's compliance with the agreed ES requirements;
 - b. any material changes to the agencies' ES policies and procedures; and
 - c. the material consistency of the implementation of the proposed Project with the objectives of the ESSs.
5. The Bank records agreement related to the following in the legal agreement, including the ESCP, and in the PAD:
 - a. a common approach for the assessment and management of ES risks and

impacts of a Project or Associated Facilities;

- b. to apply the requirements of other multilateral or bilateral funding agencies for the assessment and management of ES risks and impacts of a Project involving an FI; or
 - c. to apply the requirements of other multilateral or bilateral funding agencies for the assessment and management of ES risks and impacts of a Project involving Associated Facilities.
6. The measures and actions that have been agreed with such agencies and the Borrower are included in the ESCP.

SUB-SECTION III.5 – DISCLOSURE

1. The TT requests that sufficient information about the potential risks and impacts of the Project is made available by the Borrower in a timely manner, in an accessible place and in a form and language understandable to Project-affected people and other interested parties, as set out in ESS10, so they can provide meaningful input into Project design and mitigation measures.
2. The TT discloses, in the Concept stage ESRS, the Project's potential risks and impacts, the ESRC, the type of ES assessment to be conducted and information on the provisional timeframe for conduct of the assessment. See Annex III for further details on the disclosure of the Concept stage ESRS.
3. The TT discloses the Appraisal stage ESRS, ESCP, SEP and any draft documents prepared by the Borrower relating to the ES assessment of the Project. The draft documents identify and consider, in adequate detail, the key ES risks and impacts of the Project, relevant aspects of the Borrower's ES Framework, and a summary of proposed mitigation measures. Where aspects of the draft documentation are to be developed at a later stage, the draft documentation includes an outline of what will be done, including any studies or assessments to be completed, and this will be recorded in the ESCP. See Annex III for further details on the disclosure of the Appraisal stage ESRS, ESCP, SEP and any draft documents prepared by the Borrower.
4. Where the ESRC for the Project is *High Risk* or *Substantial Risk*, draft documentation may include those that have been identified by the Borrower in accordance with the methods and tools set out in ESS1, Annex 1 and the other ESSs (such as an ES Impact Assessment, ES Management Plan, ES Audit, ES Management Framework, Resettlement Plan, or Indigenous Peoples Plan). As relevant, the draft documentation includes the following information:
 - a. a description of the Project and the proposed Project activities;

- b. the rationale for the Project;
 - c. the key results of the scoping of the Project;
 - d. the aspects of the Borrower's ES Framework that will be utilized in the Project (including where relevant, the permitting requirements of the Borrower);
 - e. information regarding the ES baseline, including information on data gaps, the significance of these gaps for decision-making and how these gaps will be addressed;
 - f. the nature of the potential risks and impacts of the Project, together with an assessment of their significance;
 - g. methods of mitigation in line with the mitigation hierarchy; and
 - h. the way in which the impacts of the Project and the implementation of mitigation measures will be monitored.
5. Notwithstanding paragraph 4 above, the AESS may propose, subject to the clearance of the RSA for *High Risk* Projects and the ES PMs for *Substantial Risk* Projects, that certain studies or mitigation plans are prepared after Board approval. The Bank discloses such details in the PAD and the ESCP. This includes, where possible, the following information:
- a. the objectives and proposed content of the relevant documents;
 - b. the rationale for the timing of preparation;
 - c. the institutional responsibility for preparing the documents;
 - d. the estimated cost associated with preparation and implementation of the measures and actions proposed by the relevant documents; and
 - e. the source of funding, the arrangements for preparation and the timing for completing the documents.
6. During implementation, the TT discloses any changes to the ESRC and updated or final versions of the ESCP and ES documentation.

SUB-SECTION III.6 – MONITORING AND IMPLEMENTATION SUPPORT

1. In accordance with the ES Policy, the Bank carries out its own due diligence during Project implementation, in a manner that is appropriate to the nature and scale of the Project and proportionate to the level of ES risks and impacts. The Bank's due

diligence includes regular reviews of the ES performance of the Project, in accordance with the legal agreement and the ESCP. Depending on the specific commitments, the Bank's review of the Project's ES performance includes, as appropriate:

- a. assessing whether Project changes, unforeseen circumstances or an assessment of Project performance would warrant a revision to the ESRC, a revision to the ES performance ratings in the ISR, or an update to the ESCP; and
 - b. communicating to the Borrower in case of failure to comply with the ES requirements, and assessing the exercise of remedies, considering paragraph 27 of the Bank Policy, "Investment Project Financing".
2. The TT, through the AESS, confirms that the Borrower has recruited qualified staff managing ES issues before the Borrower carries out any activities that may cause material adverse ES risks or impacts. As needed, the AESS reviews the TOR for the Borrower's ES staff and reminds the Borrower to provide the necessary management support, materials, and equipment for such staff to carry out their responsibilities in a timely manner.
3. As part of implementation support, and as needed, the TT, including the AESS, provides training to the Borrower on key ES aspects of the Project. The TT supports the Borrower in ensuring that such trainings are extended to all key ES personnel of the Borrower and other entities involved in implementing the Project, including the Borrower's contractors, subcontractors, and primary suppliers.
4. The TT, including the AESS, supports the Borrower in resolving ES issues and challenges during implementation. In addition to providing training to the Borrower, responsibilities of the AESS include, as appropriate:
 - a. confirming that the Project Operations Manual and procurement documents, as applicable, include key ES-related Project implementation arrangements, requirements and measures;
 - b. reviewing and clearing ES documents prepared by the Borrower before the Borrower carries out specific Project activities, and monitoring implementation by the Borrower of ES plans, measures and actions;
 - c. monitoring the Borrower's stakeholder engagement activities and the management of grievance mechanisms;
 - d. confirming that ES aspects are included in the bidding process, in collaboration with procurement specialists;
 - e. confirming that ES aspects are included in the TOR of the Supervising

Engineer, as applicable;

- f. confirming that adequate ES capacity remains in place during implementation;
 - g. confirming the Borrower has adequate incident reporting and response procedures in place; and
 - h. reviewing Borrower monitoring reports to identify emerging ES issues and challenges that require adaptive management, discussing corrective actions with the Borrower, updating the Project ESRC and ES performance ratings in ISRs, and escalating to ES PMs and/or the RSA, when needed.
5. The Bank monitors Projects on an ongoing basis. A Project is not considered complete until the ES measures and actions set out in the legal agreement (including the ESCP) have been implemented. To the extent that the Bank evaluation at the time of Project completion determines that such measures and actions have not been fully implemented, the Bank determines whether further measures and actions, including continuing Bank monitoring and implementation support, will be required.
6. Where the TT determines that ES measures and actions that were previously agreed have not been fully implemented, these should be documented with advice from the RSA and ES PMs, as appropriate, along with details of any remaining measures and actions that are required before the Project can be considered complete. See Annex VI for further details on Post-Closure ES commitments.

SUB-SECTION III.7 – ES HANDS-ON EXPANDED IMPLEMENTATION SUPPORT

1. At the Borrower's request, the Bank may agree to provide ES HEIS during the preparation or implementation stage of the Project cycle, if the Bank determines that this support is useful to help the Borrower achieve the development objectives and outcomes of an IPF operation. Such support may include, but is not limited to:
 - a. preparing, or supporting the Borrower to prepare, environmental and social documents including associated consultations with stakeholders;
 - b. preparing, or supporting the Borrower to prepare TOR for required ES activities and advising on the selection of independent experts or consultants on ES matters;
 - c. developing and providing ES capacity building support and training to the Borrower or its implementing institutions or agencies;
 - d. supporting the Borrower with incorporation of ES Project design elements to enhance effective implementation of Projects.

- e. supporting the Borrower to prepare and review ES aspects in procurement processes;
 - f. supporting implementation of ES risk management measures in the Project, including advice on incorporation of specific ES obligations in key contracts and in the Operations Manual, as applicable;
 - f. supporting information disclosure and stakeholder engagement processes conducted by the Borrower; and
 - g. supporting the Borrower with ES performance monitoring and reporting.
2. ES HEIS does not substitute for the Borrower's responsibility to meet the ESF requirements, as set out in the legal agreement and the ESCP. It also does not substitute for the Borrower's responsibility to monitor the Project's ES performance. While ES HEIS arrangements may support and inform the Borrower's ES assessments, risk mitigation and monitoring, the Bank's provision of ES HEIS does not constitute decision-making on behalf of the Borrower.
 3. ES HEIS does not substitute for the Bank's own ES due diligence including through review and clearance of ES documents and implementation supervision. ES documents prepared with ES HEIS support are submitted for independent Bank review and clearance. The role of Bank Staff or consultants providing ES HEIS is kept separate to the review and clearance role of the TT and the AESS, to avoid any conflict of interest. See Annex V for further details on ES HEIS.

SUB-SECTION III.8 – SUPPORT TO THE BORROWER IN ES CAPACITY BUILDING

1. The Bank supports the Borrower to strengthen capacity to manage ES risks and impacts and to promote sustainable development. The Bank considers providing support at the Project-level or as part of the country or sector dialogue through a range of activities, funding, technical advice, and implementation support, taking into account country, sector, entity or agency, or Project considerations.
2. At the Project-level, during Project preparation and throughout implementation, the Bank identifies the Borrower's ES capacity-building needs, and the staffing, funding, technical advice, training, and other actions proposed to address those needs.
3. At the country or sector level, the Bank considers providing support to the Borrower's ES institutional and regulatory reforms and related capacity-building efforts through assessments, technical assistance, advisory services, or the development of specific training programs.

SUB-SECTION III.9 – PROJECT DOCUMENTS

1. The AESS and TTL ensure that the documents relating to the ES assessment and management of the Project provide adequate, accurate and up to date information regarding the potential risks and impacts of the Project, and the agreed mitigation measures.
2. The AESS summarizes in the PAD material information relating to the assessment and management of the ES risks and impacts of the Project, including:
 - a. key features of the Project and any Associated Facilities;
 - b. the potential ES issues, risks and impacts;
 - c. the reasons for the ESRC;
 - d. the type of ES assessment conducted, and the tools used;
 - e. key potential risks and impacts that require specific attention, including those addressed by ESS2-ESS10;
 - f. key mitigation measures and actions and the document(s) in which they are described;
 - g. the Borrower's institutional arrangements and capacity and any measures to strengthen such capacity during Project implementation;
 - h. key elements of consultations with stakeholders, including Project-affected parties, issues raised and how they will be addressed, and arrangements for grievance mechanisms;
 - i. Borrower's monitoring arrangements, key ES requirements of the legal agreement, including the ESCP and, as relevant, representations, conditions and covenants;
 - j. where possible, information on the objectives and proposed content of documents that will be prepared after Board approval, the rationale for the timing of preparation, the estimated costs associated with the preparation of the documents and their implementation, the sources of funding, and the arrangements for preparation; and
 - k. confirmation of the disclosure of available ES documents both on the Bank's website and by the Borrower in accordance with the ESCP.

SECTION IV – EXCEPTION

N/A

SECTION V – WAIVER

The provisions of this Directive/Procedure may be waived in accordance with the Bank Policy, “Operational Policy Waivers”, and the Bank Procedure, “Operational Policy Waivers and Waivers of Operational Requirements”.

SECTION VI – OTHER PROVISIONS

N/A

SECTION VII– TEMPORARY PROVISIONS

N/A

SECTION VIII– EFFECTIVE DATE

This Directive/Procedure is effective as of the date on its cover.

SECTION IX – ISSUER

The Issuer of this Directive/Procedure is Vice President, OPSVP

SECTION X – SPONSOR

The Sponsor of this Directive/Procedure is Director, OPSES

SECTION XI – RELATED DOCUMENTS

Bank Directive, Investment Project Financing

Bank Policy, Operational Policy Waivers

Bank Directive, Grievance Redress Service

Bank Procedure, Grievance Redress Service

Operational Policy and Bank Procedures (OP/BP) 4.03, Performance Standards for Private Sector Activities

Operational Policy and Bank Procedures (OP/BP) 7.50, Projects on International Waterways

Operational Policy and Bank Procedures (OP/BP) 7.60, Projects in Disputed Territories

World Bank Access to Information Policy

World Bank Group Environmental, Health and Safety Guidelines (EHSGs)

REVISION HISTORY

1. March 2019: Changes to Section III, A. paragraph 1, to reflect the application of this Directive to Additional IPF operations that address scale-up activities, and related Temporary Provisions (Section XII).
2. January 2020: Changes to Section III, A. paragraph 1, and related Temporary Provisions (Section XII), to reflect the application of this Directive to Additional IPF operations.
3. October 2021: Changes to reflect the corporate realignment, including changes to the roles of CESSO, Directors of Regional SD departments, PMs, RSAs and TTs.
4. October 2023: Changes to reflect revisions to the ADM, risk classification criteria, and use of Borrower's ES Framework; inclusion of ES HEIS and capacity building sections; and addition of Annexes on procedural steps with regard to changes in ESRC, disclosure, restructuring, ES HEIS, and post-closure ES commitments.

Questions regarding this Directive should be addressed to the Sponsor.

Annex I: Risk Classification

1. Pursuant to the Environmental and Social Policy, Section A, Paragraph 20, a Project (including all subprojects unless identified as small subproject according to the Environmental and Social Policy, Section D, Paragraphs 36 to 39 and Footnote 28) is classified as *High Risk*, *Substantial Risk*, *Moderate Risk* or *Low Risk* taking into account relevant potential risks and impacts, such as:
 - a. The type, location, sensitivity and scale of the Project including the physical considerations of the Project; type of infrastructure (e.g., dams and reservoirs, power plants, airports, major roads); volume of hazardous waste management and disposal;
 - b. The nature and magnitude of the potential ES risks and impacts, including impacts on greenfield sites; impacts on brownfield sites (e.g., rehabilitation, maintenance or upgrading activities); the nature of the potential risks and impacts (e.g., whether they are irreversible, unprecedented or complex); resettlement activities; presence of Indigenous Peoples; and possible mitigation measures considering the mitigation hierarchy;
 - c. The capacity and commitment of the Borrower, the implementing agencies and other relevant parties to establish and maintain a structure to assess and manage the ES risks and impacts of the Project in a manner consistent with the ESSs, taking into account: the country's policy, legal and institutional framework; laws, regulations, rules and procedures applicable to the Project sector, regional and local requirements; the technical and institutional capacity of the implementing agencies and other relevant parties; and the financial and human resources available for ES management of the Project; and,
 - d. Other areas of risk that may be relevant to the delivery of Project ES mitigation measures and outcomes, depending on the context in which it is being developed, including the nature of the mitigation and technology being proposed, and considerations relating to domestic and/or regional stability, conflict, or security.
2. A Project is classified as **High Risk** after considering, in an integrated manner, the risks and impacts of the Project, taking into account the following, as applicable.
 - a. The Project is likely to generate a wide range of significant adverse risks and impacts on human populations or the environment. This could be because of the complex nature of the Project, the scale (large to very large) or the sensitivity of the location(s) of the Project. This would take into account whether the potential risks and impacts associated with the Project have the majority or all of the following characteristics:

- (i) long term, permanent and/or irreversible (e.g., loss of major natural habitat or conversion of wetland), and impossible to avoid entirely due to the nature of the Project;
 - (ii) high in magnitude and/or in spatial extent (e.g., the geographical area or size of the population likely to be affected is large to very large);
 - (iii) significant adverse cumulative impacts;
 - (iv) significant adverse transboundary impacts; and
 - (v) a high probability of serious adverse effects to human health or the environment (e.g., due to accidents, toxic waste disposal).
 - b. The area likely to be affected is of high value and sensitivity, for example, sensitive and valuable ecosystems and habitats (legally protected and internationally recognized areas of high biodiversity value), lands or rights of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities and other vulnerable minorities, intensive or complex involuntary resettlement or land acquisition, impacts on cultural heritage or densely populated urban area;
 - c. Some of the significant adverse ES risks and impacts of the Project cannot be mitigated or specific mitigation measures require complex and/or unproven mitigation, compensatory measures or technology, or sophisticated social analysis and implementation;
 - d. There are significant concerns that the adverse ES impacts of the Project, or the associated mitigation measures, may give rise to significant social conflict or harm or significant risks to human security, including due to activities of security forces involved in Project implementation;
 - e. The Project is being developed in a legal or regulatory environment where there is significant uncertainty or conflict as to jurisdiction of competing agencies, or where the legislation or regulations do not adequately address the risks and impacts of complex Projects, or changes to applicable legislation are being made, or enforcement is weak; and
 - f. There are significant concerns related to the capacity and commitment for, and track record of relevant Project parties, in relation to stakeholder engagement.
3. A Project is classified as **Substantial Risk** after considering, in an integrated manner, the risks and impacts of the Project, taking into account the following, as applicable.
- a. The Project may not be as complex as *High Risk* Projects, its ES scale and

impact may be smaller (large to medium) and the location may not be in such a highly sensitive area, and some risks and impacts may be significant. This would take into account whether the potential risks and impacts have the majority or all of the following characteristics:

- (i) they are mostly temporary, predictable and/or reversible, and the nature of the Project does not preclude the possibility of avoiding or reversing them (although substantial investment and time may be required);
 - (ii) there are concerns that the adverse ES impacts of the Project, and the associated mitigation measures, may give rise to a limited degree of social conflict, harm or risks to human security;
 - (iii) they are medium in magnitude and/or in spatial extent (the geographical area and size of the population likely to be affected are medium to large);
 - (iv) the potential for cumulative and/or transboundary impacts may exist, but they are less severe and more readily avoided or mitigated than for *High Risk* Projects; and
 - (v) there is medium to low probability of serious adverse effects to human health and/or the environment (e.g., due to accidents, toxic waste disposal), and there are known and reliable mechanisms available to prevent or minimize such incidents.
- b. The effects of the Project on areas of high value or sensitivity are expected to be lower than *High Risk* Projects;
 - c. Mitigatory and/or compensatory measures may be designed more readily and be more reliable than those of High Risk Projects;
 - d. The Project is being developed in a legal or regulatory environment where there is uncertainty or conflict as to jurisdiction of competing agencies, or where the legislation or regulations do not adequately address the risks and impacts of complex Projects, or changes to applicable legislation are being made, or enforcement is weak; and
 - e. There are some concerns over capacity and experience in managing stakeholder engagement although these concerns could be addressed through implementation support.
4. A Project is classified as **Moderate Risk** after considering, in an integrated manner, the risks and impacts of the Project, taking into account the following, as applicable:

- a. The potential adverse risks and impacts on human populations and/or the environment are not likely to be significant. This is because the Project is not complex and/or large, does not involve activities that have a high potential for harming people or the environment, and is located away from environmentally or socially sensitive areas. As such, the potential risks and impacts and issues are likely to have the following characteristics:
 - (i) predictable and expected to be temporary and/or reversible;
 - (ii) low in magnitude;
 - (iii) site-specific, without likelihood of impacts beyond the actual footprint of the Project; and
 - (iv) low probability of serious adverse effects to human health and/or the environment (e.g., do not involve use or disposal of toxic materials, routine safety precautions are expected to be sufficient to prevent accidents).
 - b. The Project's risks and impacts can be easily mitigated in a predictable manner.
5. A Project is classified as **Low Risk** if its potential adverse risks to and impacts on human populations and/or the environment are likely to be minimal or negligible.

Annex II: Change in ESRC during Appraisal and Implementation (for IPFs, Small Recipient-Executed Trust Funds and Grants)

Processing Steps	Roles/Actions	Distribution	Timing	Additional Considerations
For ESRC change from <i>High Risk</i> to <i>Substantial Risk</i> , or from <i>Substantial Risk</i> to <i>High Risk</i> , the AESS completes the Appraisal ESRS or ISR input form in the ESMS, following which the RSA and ES PMs clear.	AESS: recommends RSA, ES PMs: clear	From: AESS To: RSA, ES PMs cc: TL	If/when need is identified	
For ESRC change from <i>High Risk</i> to <i>Moderate Risk</i> or <i>Low Risk</i> , or from <i>Moderate Risk</i> or <i>Low Risk</i> to <i>High Risk</i> , the AESS completes the Appraisal ESRS or ISR input form in the ESMS, following which the RSA clears.	AESS: recommends RSA: clears	From: AESS To: RSA cc: TL, ES PMs		
For ESRC change from <i>Substantial Risk</i> to <i>Moderate Risk</i> or <i>Low Risk</i> , or from <i>Moderate Risk</i> or <i>Low Risk</i> to <i>Substantial Risk</i> , the AESS completes the Appraisal ESRS	AESS: recommends ES PMs: clear	From: AESS To: ES PMs cc: TL		

<p>or ISR input form in the ESMS following which the ES PMs clear.</p> <p>For ESRC change from <i>Moderate Risk</i> to <i>Low Risk</i>, or from <i>Low Risk</i> to <i>Moderate Risk</i>, the AESS completes the Appraisal ESRS or ISR input form in the ESMS.</p>	<p>AESS: submits</p>			
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Annex III: Disclosure of Concept Stage ESRS and Appraisal Stage ESRS, ESCP, and SEP (for IPFs, Small Recipient-Executed Trust Funds and Grants, and IPF components in PforR operations)

Processing Steps	Roles/Actions	Distribution	Timing	Additional Considerations
Concept Stage ESRS				
<p>RSA and ES PMs clear Concept stage ESRS for disclosure in ESMS.</p> <p>TL discloses the Concept stage ESRS through the Operations Portal.</p>	<p>AESS recommends</p> <p>RSA and ES PMs: clear</p> <p>TL: discloses</p>	<p>From: AESS</p> <p>To: RSA, ES PMs</p> <p>cc: TT</p>	<p>No later than five (5) Business Days after Concept Review</p>	<p>After clearance in the ESMS, the finalized ESRS flows to the disclosure step in the Operations Portal.</p> <p>The TL confirms the recommended ESRC in SORT.</p> <p>The TL is advised that additional disclosure time may be appropriate under certain circumstances. The TL is responsible for meeting notification requirements, when applicable.</p> <p>Submission for disclosure of any other Borrower ES documents available at or prior to Concept <i>is done directly by the AESS through the ESMS Disclosure Tool control point for appropriate ADM action.</i></p>

Appraisal Stage ESRS, ESCP, and SEP

<p>For projects or IPF components in PforR operations with ESRC classified as <i>High Risk</i>, TL discloses the Appraisal stage ESRS, ESCP, SEP, and other ES documents following clearance for disclosure by the RSA in the ESMS.</p>	<p>AESS: recommends RSA: clears TL: discloses</p>	<p>From: TL To: RSA cc: AESS</p>	<p>Before Appraisal begins</p>	<p>The Appraisal stage ESRS includes the Bank's comprehensive record of its due diligence on the ES risks and impacts of the project or IPF component in a PforR operation.</p>
<p>For projects or IPF components in PforR operations with ESRC classified as <i>Substantial Risk</i>, TL discloses the Appraisal stage ESRS, ESCP, SEP, and other ES documents following clearance for disclosure by the ES PMs in the ESMS.</p>	<p>AESS: recommends ES PMs: clear TL: discloses</p>	<p>To: ES PMs cc: AESS</p>		<p>When this process is completed, the Operations Portal sends the Appraisal stage ESRS for disclosure. Submission of the ESCP, SEP, and other ES documents for disclosure is done by the TL in the Operations Portal, alongside submission of the Appraisal ESRS.</p>
<p>For projects or IPF components in PforR operations with ESRC classified as <i>Moderate Risk</i> or <i>Low Risk</i>, TL discloses the Appraisal stage ESRS, ESCP, SEP, and other ES documents as submitted by the AESS in the ESMS.</p>	<p>AESS: submits TL: discloses</p>	<p>cc: AESS</p>		<p>Submission for disclosure of any other Borrower ES documents available prior to Appraisal is done directly by the AESS through the ESMS Disclosure Tool control point for appropriate ADM action.</p>
<p>AESS ensure that all ES documents prepared by the Borrower prior to Appraisal,</p>				<p>If the ESCP disclosed at the Appraisal stage is revised at Negotiations stage, redisclosure of the ESCP is</p>

either in draft or final form (as identified in the PAD and referenced in the ESCP) are disclosed both through the Bank's operations systems and in-country.

done through the ESMS Disclosure Tool control point.

For *High Risk* projects or IPF components in PforR operations, if the negotiated ESCP is different from the version disclosed at the Appraisal stage, the AESS disclose the negotiated ESCP following clearance by the RSA in the ESMS.

For *Substantial Risk* projects or IPF components in PforR operations, if the negotiated ESCP is different from the version disclosed at the Appraisal stage, the AESS disclose the negotiated ESCP following clearance by ES PMs in the ESMS.

For *Moderate Risk* or *Low Risk* projects or IPF components in PforR operations, if the negotiated ESCP is different from the version disclosed at the Appraisal stage, the AESS disclose the negotiated ESCP in the ESMS.

Annex IV: Level One and Level Two Restructuring (for IPFs, Small Recipient-Executed Trust Funds and Grants, and IPF components in PforR operations)

Processing Steps	Roles/Actions	Distribution	Timing	Additional Considerations
<p>If the restructuring does not change the Bank's ES due diligence, nor changes the ESRC, the AESS completes the restructuring section in the ISR input form in the ESMS and submits.</p> <p>If the restructuring involves changes to project design that impact the Bank's ES due diligence, the AESS completes the restructuring section in the ISR input form in the ESMS.</p>	<p>AESS: submits</p>	<p>From: AESS</p> <p>cc: RSA (for <i>High Risk</i> Projects); ES PMs (for <i>Substantial Risk</i> Projects), TL</p>		<p>Refer to Bank Procedure, "Investment Project Financing Implementation Support to Project Completion " for additional information on restructuring.</p> <p>Where applicable, an updated ESCP will be part of the restructuring package and agreed on with the Borrower before disclosure.</p>
<p>In cases of restructuring of a Project with ESRC of <i>High Risk</i> or <i>Substantial Risk</i>, where the restructuring changes the ES due diligence, or there are changes in ESRC between <i>High Risk</i> and <i>Substantial Risk</i>, clearance of the ISR input form</p>	<p>AESS: recommends</p> <p>RSA and ES PMs: clear (for <i>High Risk</i> and <i>Substantial Risk</i> Projects)</p>	<p>From: AESS</p> <p>To: RSA, ES PMs</p> <p>cc: TL</p>		

<p>by the RSA and ES PMs is required.</p> <p>In cases of restructuring of a Project with ESRC of <i>High Risk</i>, where the restructuring changes the ES due diligence, or there are changes in ESRC from <i>Moderate Risk</i> or <i>Low Risk</i> to <i>High Risk</i> or from <i>High Risk</i> to <i>Moderate</i> or <i>Low Risk</i>, clearance of the ISR input form by the RSA is required.</p> <p>In cases of restructuring of a Project with ESRC of <i>Substantial Risk</i>, where the restructuring changes the ES due diligence, or there are changes in ESRC from <i>Moderate Risk</i> or <i>Low Risk</i> to <i>Substantial Risk</i> or from <i>Substantial Risk</i> to <i>Moderate</i> or <i>Low Risk</i>, clearance of the ISR input form by the ES PMs is required.</p> <p>In cases of restructuring of a Project with ESRC of <i>Moderate Risk</i> or <i>Low Risk</i>, where the restructuring changes the ES due diligence or changes in ESRC between <i>Low Risk</i> or</p>	<p>AESS: recommends</p> <p>RSA: clears</p> <p>AESS: recommends</p> <p>ES PMs: clear</p> <p>AESS: submits</p>	<p>From: AESS</p> <p>To: RSA</p> <p>cc: TL, ES PMs</p> <p>From: AESS</p> <p>To: ES PM</p> <p>cc: TL</p>		
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<p><i>Moderate Risk</i>, the AESS submits the ISR input form in the ESMS.</p> <p>This ES input flows to the restructuring paper in the Operations Portal after the requisite ESF ADM clearance in the ESMS and creation of the next Project ISR.</p> <p>If needed, disclosure of the updated ESCP, SEP and any other Borrower ES documents is done directly by the AESS through the ESMS Disclosure Tool control point with appropriate ADM action.</p>				
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Annex V: Environmental and Social Hands-on Expanded Implementation Support (ES HEIS)

Processing Steps	Roles/Actions	Distribution	Timing	Additional Requirements
During Preparation or Implementation				
<p>With support from the AESS, TL prepares a memorandum seeking the ES PMs' or RSA's decision to use ES HEIS. The memorandum should be sent as early as possible during the preparation phase, and use of ES HEIS should be mentioned in the PCN, ESRS and PAD. During implementation, the memorandum can be sent at any time and reference to it included in the ISR.</p> <p>The memorandum justifies the ES HEIS proposal, describing specific activities to be carried out by Staff or consultants, proposed risk mitigation measures and controls (taking into account the ES HEIS Technical Note), estimated timeframe, funding and Staff resources required.</p> <p>The memorandum is supported by: (i) the Borrower letter requesting ES HEIS assistance;</p>	<p>TL: recommends</p> <p>RSA: decides (for <i>High Risk</i> Projects)</p> <p>ES PMs: decide (for <i>Substantial Risk</i>, <i>Moderate Risk</i> and <i>Low Risk</i> Projects)</p>	<p>From: TL</p> <p>To: RSA (for <i>High Risk</i> Projects)</p> <p>To: ES PMs (for <i>Substantial Risk</i>, <i>Moderate Risk</i> and <i>Low Risk</i> Projects)</p> <p>cc: TT, CD, CL, OPCS ES HEIS Focal Point</p>	<p>During preparation phase, as early as possible.</p> <p>During implementation phase, the memorandum can be sent for approval by the ES PMs or RSA at any time.</p>	

Processing Steps	Roles/Actions	Distribution	Timing	Additional Requirements
<p>(ii) a draft notice to the Borrower, communicating the Bank's decision to provide ES HEIS; and</p> <p>(iii) any other relevant documentation as appropriate.</p>				
ES HEIS Confirmation with the Borrower and Documentation				
<p>Following the decision to provide ES HEIS, the scope of the arrangements are confirmed through an exchange of letters between the Bank and the Borrower.</p> <p>The final documented arrangements are uploaded to the Project documents in the ESMS/Operations Portal.</p>		<p>From: CD</p> <p>To: Borrower</p> <p>cc: TT, ES PMs, RSA, CL, OPCS ES HEIS Focal Point</p>		<p>TL files in ESMS/Operations Portal Share Point</p>
ES HEIS Modification and Termination				
<p>The Bank or the Borrower may decide to substantially modify and/or terminate ES HEIS at any time during the preparation or implementation of an IPF operation.</p>	<p>TL: recommends</p> <p>RSA: decides (for <i>High Risk</i> Projects)</p>	<p>From: TL</p> <p>To: RSA (for <i>High Risk</i> Projects)</p>		<p>ES HEIS termination or modification takes effect through a written notice to or by the Borrower.</p>

Processing Steps	Roles/Actions	Distribution	Timing	Additional Requirements
<p>With support from the AESS, the TL prepares a memorandum seeking the ES PMs' or RSA's approval to terminate or substantially modify ES HEIS, along with a draft notice reflecting the ES HEIS modification or termination. The memorandum justifies the proposal, describing specific grounds for modifying or disengaging from ES HEIS, including proposed risk mitigation measures and controls.</p>	<p>ES PMs: decide (for <i>Substantial Risk</i>, <i>Moderate Risk</i> and <i>Low Risk</i> Projects)</p>	<p>To: ES PMs (for <i>Substantial Risk</i>, <i>Moderate Risk</i> and <i>Low Risk</i> Projects)</p> <p>cc: TT, CL, CD, OPCS ES HEIS Focal Point</p>		
<p>ES HEIS termination or substantial modification takes effect through a written notice from the CD to the Borrower</p>		<p>From: CD</p> <p>To: Borrower</p> <p>cc: TT, ES PMs, RSA, CL, OPCS ES HEIS Focal Point</p>		

Annex VI: Post-Closure ES Commitments (for IPFs, Small Recipient-Executed Trust Funds and Grants, and IPF components in PforR operations)

Processing Steps	ADM Roles	Distribution	Timing	Additional Considerations
<p>The TL sends a note to the PM detailing outstanding obligations, current status and planned completion date, and recommendations.</p>	<p>TL: recommends</p> <p>RSA: advises (for <i>High Risk</i> Projects)</p> <p>ES PMs: advise (for <i>Substantial Risk Moderate Risk</i> or <i>Low Risk</i> Projects)</p> <p>PM: concurs</p>	<p>From: TL</p> <p>To: PM, RSA (for <i>High Risk</i> Projects) or ES PMs (for <i>Substantial Risk, Moderate Risk</i> and <i>Low Risk</i> Projects)</p> <p>cc: TT, CL, CD</p>	<p>At minimum twelve (12) months prior to the Closing Date</p>	
<p>The TT documents any outstanding actions in the relevant ISRs. The TT, through the AESS, marks any outstanding ES commitments that will not be resolved before the planned Closing Date as unsatisfactory or moderately unsatisfactory.</p>	<p>TL: recommends</p> <p>CD: concurs</p> <p>RSA: reviews, as needed (for <i>High Risk</i> Projects)</p>	<p>From: TL</p> <p>To: CD, PM</p> <p>cc: TT, CL, RSA (for <i>High Risk</i> Projects) or ES PMs (for <i>Substantial Risk, Moderate Risk</i>)</p>	<p>No later than six (6) months before the planned Closing Date</p>	

Processing Steps	ADM Roles	Distribution	Timing	Additional Considerations
	<p>ES PMs: review, as needed (for <i>Substantial Risk Moderate Risk or Low Risk</i> Projects)</p> <p>PM: decides</p>	<p>and <i>Low Risk</i> Projects)</p>		
<p>For a Project with outstanding ES commitments that will not be resolved before the planned Closing Date, the TT agrees on a post-closing action plan with the Borrower.</p> <p>The TT circulates that plan for review and decision.</p>	<p>TL: recommends</p> <p>RSA: advise (for <i>High Risk</i> Projects)</p> <p>ES PMs: advise (for <i>Substantial Risk, Moderate Risk or Low Risk</i> Projects)</p> <p>PM: concurs</p> <p>CD: decides</p>	<p>From: TL</p> <p>To: PM, CD, RSA (for <i>High Risk</i> Projects) or ES PMs (for <i>Substantial Risk, Moderate Risk and Low Risk</i> Projects)</p> <p>cc: RD, TT, CL</p>	<p>No later than six (6) months before the planned Closing Date</p>	<p>The agreement on a post-closing action plan is formalized through an exchange of letters signed by the CD.</p>
<p>The TT verifies and records progress on addressing post-closure ES commitments and implementing agreed actions.</p>	<p>TL: recommends</p> <p>CD: concurs</p>	<p>From: TL</p> <p>To: CD, PM</p>	<p>At least every six (6) months, until the post-closing action</p>	

Processing Steps	ADM Roles	Distribution	Timing	Additional Considerations
<p>For Projects that are closed with outstanding ES commitments, the TT conducts regular supervision and prepares reports that record the status of the outstanding actions agreed with the Borrower.</p> <p>Progress is disclosed as appropriate.</p>	<p>RSA: reviews, as needed (for <i>High Risk</i> Projects)</p> <p>ES PMs: review, as needed (for <i>Substantial Risk, Moderate Risk, or Low Risk</i> Projects)</p> <p>PM: decides</p>	<p>cc: TT, CL, RSA (for <i>High Risk</i> Projects) or ES PMs (for <i>Substantial Risk, Moderate Risk and Low Risk</i> Projects)</p>	<p>plan is completed</p>	
<p>The TT documents completion of the outstanding ES actions in a Note that is publicly disclosed.</p>	<p>TL: recommends</p> <p>RSA: advises (for <i>High Risk</i> Projects)</p> <p>ES PMs: advise (for <i>Substantial Risk</i> Projects)</p> <p>PM: concurs</p> <p>CD: decides</p>	<p>From: TL</p> <p>To: PM, CD, RSA (for <i>High Risk</i> Projects) or ES PMs (for <i>Substantial Risk, Moderate Risk and Low Risk</i> Projects)</p> <p>cc: RD, TT, CL</p>	<p>Upon completion of the post-closing action plan</p>	