

STAKEHOLDER GROUP (S): UK DEPARTMENT FOR INTERNATIONAL DEVELOPMENT - DFID

Location of consultation: London, UK

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Participants:

Ian Curtis, Head of Profession - Climate & Environment, and Deputy Head, Climate and Environment Group
Georgina Ayre, Climate and Environment Adviser, Climate and Environment Group
Ross Hughes, Climate and Environment Adviser, Climate and Environment Group
Malcolm Smart, Senior Economic Adviser, Growth and Investment Group
Gareth Martin, Climate Change Adviser, Africa Regional Department
Bridget Crumpton, Team Leader, World Bank Team
Andy Hinsley, Economic Adviser, Growth and Climate Change
Guy Howard, Water and Environment Adviser
Christine Roehrer, Theme Leader: Growth, Sustainable Development and Climate Change
Amanda Duff, Infrastructure and Environment Adviser

World Bank Participants:

Michele de Nevers, Senior Manager of the World Bank Environment Department
Barbara Genevaz, Senior Counselor, External Affairs/Poverty Reduction and Economic Management, World Bank Paris Office
Giovanni Ruta, Economist, Environment Department

Session Summary:

Noting that the future environment strategy will be the first one involving the whole World Bank Group, Michele explained the preparatory consultation process and noted the need to:

- Test the relevance of the 2001 strategy pillars and guiding principles.
- Explore differentiation of low-income countries and middle-income countries.
- Operationalize the concept of sustainable development through the use of the WB work on green accounting.
- Understand tradeoffs between growth and environment (recognizing the limits of capital substitutability).
- Intensify dialogue within the Bank on environmental sustainability - both between the Environment Department and other sectors, and with the Poverty Reduction and Economic Management network (PREM) on the growth/environment nexus. Sustainability targets need to be set by the sectors.
- Learn lessons from the International Finance Corporation – IFC's Sustainability Policy and Performance Standards.
- Build demand at the country level for capacity building related to environmental sustainability.

DfID's response to the Strategy Concept Note involved five groups of questions and issues:

1. Concern about the treatment of growth, on at least three levels (i) with climate change necessitating a "wholesale rethinking" of development, a major shift in the approach to development, based on sustainability, is called for; (ii) it is urgent to mainstream (and incentivize) the valuation of environmental assets in operations, and to move towards a shadow price for carbon; (iii) need for a paradigm of growth which is not only based on low-carbon development paths but also on climate resilience.
2. Need for differentiated strategies for low-income countries and middle-income countries.
3. Need to build monitoring and evaluation of environment-related objectives into operations (as opposed to retrospective evaluations) and to set targets for results in IDA and Country Assistance Strategies.
4. Need for analytic work to play a strong role in mainstreaming sustainability in country programs, and for more use of successful tools like Country Environmental Assessments (CEA); also to address environment issues in specific sectors (e.g. urban development, particularly for Asia).
5. Concern about the role of safeguards and whether they are locking the Bank into a risk management rather than a sustainability mindset.
6. Questions about current Bank instruments and how they support sustainability, notably environmental Developmental Policy Loans (DPL) and budget support.