

Working Sessions on the Environment Strategy for Europe and Central Asia
South Eastern Europe Consultation
February 4, 2010, Almaty, Kazakhstan

Welcome note by Mr. Motoo Konishi, Country Director



1) Morning session: WORLD BANK CORPORATE ENVIRONMENT STRATEGY
Presentation: "A New Environment Strategy for the World Bank Group" by Mr. John Kellenberg, Sector Manager

An official opening and welcome note was done by Mr. Konishi, Country Director for Central Asia. In his note he informed the participants of the goal and objectives of the meeting related to preparation of the concept of the new Environment Strategy. Besides, he expressed expectations of the Bank toward the process of the formulation of the strategy, in particular with a focus on the needs of the poor, use of innovations and technologies, addressing climate change (droughts, water glacier melt etc) and water resource management.

Mr. Kellenberg, Sector Manager, then presented the context of the consultative meeting – preparation of a new Environment Strategy by the World Bank Group (WBG) which has to be completed and submitted to the Board of Executive Directors by December 2010. As a central mandate, the WBG has an enduring commitment to ensure that its support to client countries leads to sustainable outcomes that are economically, socially and environmentally sustainable. The new Environment Strategy will take into account a set of principles, realities and challenges faced in implementation of environmental activities such as climate change and urbanization. Moreover, the new strategy will propose an approach for achieving the environmental sustainability of the project portfolio financed by the World Bank Group.

The purpose of the consultative meeting was to discuss and identify the most important problems and opportunities for achieving the environmental sustainability at country, regional and sector levels. Besides it was important to learn from Central Asian client countries how they see the role of the World Bank in addressing these problems and opportunities.

The participants of the meeting were divided into two small groups so their opinions were collected and presented to the whole group. Results of discussions in each of these groups are presented in the report.

Out of 21 invited participants representing all five Central Asian countries, 7 were from ministries and committees on environment protection, 2 representatives of ministries of finance and 12 representatives of civil society/non-profit sector.

The presentation was focused on the historical background of the main activities of the World Bank Group. Particular focus was given to the Environment Strategy approved in 2001. Three core principles are presented in the strategy: quality of life, growth and protection of the regional and global commons. The project portfolio related to environmental sustainability and efficient management of natural resources was financed by the World Bank in 2009.



In his presentation, Mr. Kellenberg demonstrated the best practices of various global programs and partnership, and examples of solution of environmental problems in various sectors. Moreover, examples of formulation of the strategy in other regions across the world were given. Challenges related to environmental activities and its impact on sanitation, social equity and governance were identified.

In particular, attention was given to ineffective use of natural resources, urbanization and climate change. In conclusion Mr. Kellenberg drew attention of the participants to the issues related to the role of the WBG in increasing its effectiveness and efficiency aimed at environmental sustainability and coordination of activities and approaches with other strategies of the Bank.

After the presentation the questions for further discussion were addressed to participants with the aim to receive opinions and feedback.


The following issues necessary for formulation of the Environment Strategy were addressed:

1. What are the top three challenges and the top three opportunities to achieving environmentally sustainable development? (country, region, sector)
2. What should the role of the Bank be in addressing these challenges and opportunities?
3. What should be the balance in the Bank's role between addressing country specific priorities and global public goods agendas?
4. What should the role of the IFC be in helping the private sector stakeholders achieve higher levels of performance in pursuing environmental sustainability?
5. Should the Bank put in place a systematic approach to assess environmental sustainability in sector portfolios?

6. How should short term and long term trade-offs between development and environmental sustainability be balanced?

Two mixed groups representing each of the Central Asian countries and non-government and government agencies were formed. The purpose of these groups was to discuss the aforementioned questions and come to a common understanding in each of the groups. The responses were reflected in the group presentations in plenary sessions which are summarized in this report.

1) GROUP A – DISCUSSION RESULTS

1. What are the top three challenges and opportunities to achieving environmentally sustainable development? (country, region, sector)	
<p>CHALLENGES:</p> <ul style="list-style-type: none"> - Water resources and ecosystems - Climate change (adaptation and mitigation activities) - Inefficient waste management (problems in managing industrial waste, POPs and secondary recycling) <p>OPPORTUNITIES:</p> <ul style="list-style-type: none"> - Focus on specific environmental activities rather than on formulation of documents - Strengthening supervision of the World Bank over implementation of projects 	
1. What should the role of the Bank be in addressing these challenges and opportunities?	
<ul style="list-style-type: none"> - Risk assessment of programs financed by the Bank, including trans-boundary risks. - Applying “Do not harm”. - Indicators of transparency should be clarified. 	
2. What should be the balance in the Bank’s role between addressing country specific priorities and global public goods agendas ?	
<ul style="list-style-type: none"> - Formulation of country programs based on national priorities. 	
3. What should the role of the IFC be in helping the private sector stakeholders achieve higher levels of performance in pursuing environmental sustainability?	
<ul style="list-style-type: none"> - Risk insurance. - Increase of role of public in projects financed by the IFC. 	
4. Should the Bank put in place a systematic approach to assess environmental sustainability in sector portfolios?	
<ul style="list-style-type: none"> - No. (It was felt that standardized approaches would not work and that this should be done on a case by case basis, tailored to specific country and project circumstances) 	
5. How should short term and long term trade-offs between development and environmental sustainability be balanced?	
<ul style="list-style-type: none"> - Principles of environmental protection and natural resource management should be applied. - Trade-offs are not possible, need to focus on solutions for both together 	

1) BREAKOUT GROUP B - DISCUSSION RESULTS

1. What are the top 3 **challenges** and **opportunities** to achieving environmentally sustainable development? (country, region, sector)

CHALLENGES:

- Water resources (interrelated to global Climate change and glacial decline issues)
- Waste Management (Solid wastes including Hazardous wastes)
- Environmental monitoring

Note: Some countries (Turkmenistan) additionally indicated sustainable use of land resources.

OPPORTUNITIES:

- Adaptation to climate change.
- Institutional development and improvement of legislation to correlate with the environmental issues.
- Development of an Integrated (regional) Environmental Monitoring System (one of the main topics to integrate here is trans-boundary water resources).



Note: Some countries (Tajikistan) also pointed out to anticorruption and poverty reduction issues.

2. What should the **role of the Bank** be in addressing these challenges and opportunities?

- Provision of financial support through the various tools (loans, grants).
- Provision of best international practices.
- Better technique of project management and evaluation (for the projects financed by the WBG).
- Support development of national and regional environmental strategies.
- An independent monitoring and evaluation of those strategies.

3. What should be the balance in the Bank's role between addressing **country specific** priorities and **global public goods agendas**?

- The Bank should provide a balance between country specific and regional priorities by supporting only those projects which have regional (trans-boundary) and global agendas for environmentally sustainable development.
- The Bank has to pay attention to broader involvement of civil society (NGOs) in operations (strategies) supported by the Bank to avoid distortion of priorities.

4. What should the role of the IFC be in helping the private sector stakeholders achieve higher levels of performance in pursuing environmental sustainability?

- Support projects related to development (use) of renewable energy sources.
- Support use of new environmentally friendly technologies in the projects (financed by IFC).
- Involve civil society (NGOs) in discussions of environmentally sensitive commercial projects.
- Develop environmental indicators for identification and implementation of projects.
- Include a project component related to environmental capacity building.

5. Should the Bank put in place a **systematic approach to assess environmental sustainability** in sector portfolios?

- Yes, there is a need for systematic assessment of environmental sustainability in sector portfolios.
- A feasibility study should confirm sustainability/feasibility of all three elements – environmental, social and economic.
- Develop core (quantitative) environmental sustainability indicators.

6. How should short term and long term **trade-offs** between development and environmental sustainability be balanced?

- There should be **trade-offs** between development and environmental sustainability in short term and long term prospective, as there are tight linkages between economic growth, poverty and environmental sustainability. However, of course, the priority should be given to long term win-win projects.

2) Afternoon session: WB POLLUTION MANAGEMENT & NATURAL RESOURCES MANAGEMENT

Presentation: *"Pollution Management in the Region"*,
Mr. Craig M. Meisner, Environmental Economist

In the presentation Mr. Meisner underlined the environmental issues in the ECA region, with a focus on the achieved progress and challenges. He mentioned about strategic opportunities provided for the World Bank to improve its activities in pollution management.



Presentation: *"Natural Resource Management in the Region"*,
Ms. Karin Shepardson, NRM Program Team Leader



In her presentation Ms. Shepardson informed the participants of the active portfolio of Natural Resource Management projects in the ECA region. Challenges facing forestry, land and water resources management and biodiversity conservation as well as opportunities for financing were identified.

2) BREAKOUT GROUP A – DISCUSSION RESULTS

1. How do the three key business lines for the NRM program focus align with your programs and priorities?

- Forestry
- Integrated water resource management
- Biodiversity conservation

- All these three business lines are covered by the national NRM and pollution management programs.
- These business lines are reflected in the national legislation of the CA countries.



2. How do the key areas propose for the pollution management focus, align with your programs and priorities?

- In general the Pollution Management Strategic Themes were in line with existing country programs:
- In national programs environmental sustainability is a cross cutting sector.
 - The main partners: Government, private sector and civil society are identified in all environmental concepts of CA countries.
 - Incentives for participation of the civil society in environmental activities are created (fee for NRM and small grant programs).

3. How can the WBG improve, how it brings in best global practice to environmental investments and analytical work in the region?

- Financing of specific activities.
- Not financing resource saving technologies which may cause a harm to environment (for instance, energy saving light bulbs which have mercury and cause other environmental problems).
- Meetings and consultations with Governments and private sector.
- Involvement of local experts in process to better take into account local country conditions.
- Provision of best practice information.

4. Do you have any views on how World Bank Group Environmental Safeguards are applied in the region? Should we introduce carbon screening for enhancement of investments? If so, any recommendations as how to communicate and coordinate with clients on this? Should recommendations from this screening be mandatory or advisory in their application to our investments?

- Environmental safeguards are inadequately applied.
- Carbon screening should be introduced through implementation of national programs. Carbon screening can only be part of a broader Environmental Impact Assessment program.
- Recommendations from the screening should be advisory.

2) BREAKOUT GROUP B - DISCUSSION RESULTS

1. How do the three key areas proposed for the **Nature Resources Management** program focus align with your programs and priorities?

All 3 key areas are in line with programs and priorities in Central Asian countries, however priority level vary between the countries. Please see below prioritization table. '5' is maximum score of high priority.

Forestry:	KZ (3); KG (2); TD (4); TR (3); UZ (3)
Land and Water Management:	KZ (5); KG (4); TD (5); TR (4); UZ (5)
Nature Protection:	KZ (4); KG (3); TD (5); TR (4); UZ (4)

KZ – Kazakhstan, KG – Kyrgyz Rep., TD – Tajikistan, TR – Turkmenistan, UZ - Uzbekistan

2. How do the key areas proposed for the **Pollution Management focus** align with your programs and priorities?

The group discussion and ranked the following key areas ('5' is maximum score of high priority):

Persistent Organic Pollutants (POPs)	KZ (5); KG (5); TD (4); TR (4); UZ (4)
Solid Waste Management	KZ (5); KG (5); TD (4); TR (4); UZ (4)
Environmental liability/Urban environment	KZ (3); KG (4); TD (3); TR (4); UZ (4)

KZ – Kazakhstan, KG – Kyrgyz Rep., TD – Tajikistan, TR – Turkmenistan, UZ - Uzbekistan

3. How can WBG improve how it brings in the best global practice to environmental investments and analytical work in the region?

- Implementation of Bank financed projects in the region reveals that the proposed best global practices to environmental investments and analytical work are not always the most applicable solution to apply to the countries in the region.
- In most cases adaptation is needed to country specifics involving the level of economic growth/development and cultural features.
- Take into consideration high level of corruption in CA countries.
- The adaptation would be more efficient when well balanced team involving both locals (who know country specifics) and international specialists (bringing best global practices) are in place.
- Bank would facilitate public access and freedom of expression in networked information. Public participation in environmental assessment and decision making.
- Bank sectoral strategies (for instance energy and environmental) would be harmonized.

4. Do you have any views on how WBG Environmental Safeguards are applied in the region? Should we introduce carbon screening for enhancement of investments? If so, any recommendations as how to communicate and coordinate with clients on this? Should recommendations from this screening be mandatory or advisory in their application to our investments?

- WBG Environmental Safeguards are formally applied in Bank financed projects in the region, however more thorough supervision and control is needed for better efficiency.

- Yes, Carbon screening should be introduced, however this needs to be additionally studied and methodology thoroughly elaborated.

- Recommendations from this screening should be mandatory for those countries who are the party of respective Convention.



3) CONCLUSIONS AND FINAL DISCUSSION

In conclusion Mr. Kellenberg made a brief summary of the discussion and feedback received from the participants. He emphasized the importance of national priorities in elaborating various strategies and programs at country levels and harmonization of these priorities at regional level. He also noted that participants have a common understanding in addressing challenges related to environmental protection, NRM management and climate change. In particular, water management, along with land resources, is becoming a major issue for upstream and downstream countries in the region. Institutional aspects, such as good governance and anti-corruption, were also raised during discussions. Mr. Kellenberg reiterated that WBG would further support the CA region in terms of institutional capacity, knowledge and best practice transfer, as well as financial support.



He informed the participants of the planned timeframe of preparation and finalization of the Environment Strategy, and invited participants to contribute more by sending comments to the Strategy website and via email. The finalized notes will be available for public on the Strategy website.

Annex – List of Participants

Name	Title	Type of Organization	Country
Mr. Aset Alimanov	Expert, State Borrowing Department	Ministry of Finance	Kazakhstan
Mr. Mukhtar Tultabayev	Deputy Director Department of Environment Protection and Sustainable Development	Ministry of Environment and Nature Protection	Kazakhstan
Mr. Syrym Nurgaliev	Project Coordinator	NGO “Climate Change Coordination Center”	Kazakhstan
Ms. Svetlana Spatar	IFIs Relations Coordinator	NGO „Green Salvation”	Kazakhstan
Ms. Nadezhda Kan	Executive Director	NGO „Zhasyldar“	Kazakhstan
Mr. Sergey Solyanik	Consultant	NGO „Crude Accountability“	Kazakhstan
Ms. Aliya Tonkobaeva	Assistant Director	Social Fund “Asian American Partnership”	Kazakhstan
Ms. Fayma Urazaeva	Head of Sustainable Consumption Department	NGO “Center of Sustainable Production and Consumption ”	Kazakhstan
Ms. Guzaliya Saphargaleyeva	Head of Sustainable Production Department	NGO “Center of Sustainable Production and Consumption ”	Kazakhstan
Mr. Ruslan Sadyrbaev	Chief Specialist Division of Economy Sectors Funding	Ministry of Finance	Kyrgyz Republic
Ms. Natalya Baidakova	Head of Department	State Agency of Environment protection and forestry	Kyrgyz Republic
Mr. Ismail Dairov	Advisor to the Chairman	State Agency of Environment protection and forestry	Kyrgyz Republic
Mr. Oleg Pechenuk	Chairman	NGO “Independent Ecological Expertise”	Kyrgyz Republic
Mr. Sergey Vorsin	Executive Director	“Tarakkiyot” Development Center	Tajikistan
Mr. Timur Nazarov	Head of International Affairs Department	State Environmental Committee under the Government of Tajikistan	Tajikistan

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Mr. Ilhom Rajabov	Director	NGO "Climate change center "	Tajikistan
Ms. Ogulsona Karryeva	Deputy Director on Scientific work	National Institute of Deserts, Flora & Fauna under the Ministry of Nature Protection of Turkmenistan	Turkmenistan
Mr. Akmuhammed Ibragimov	Chairman	Public Society of Nature Protection	Turkmenistan
Ms. Dilbar Zaynutdinova	Director	Center of Ecology Rights "Armon" (NGO)	Uzbekistan
Mr. Nazimjon Ernazarov	Deputy Head Water Resources Department	Ministry of Agriculture and Water Resources	Uzbekistan
Ms. Ludmila Aksyonova	Head of Department	State Committee of Nature Protection	Uzbekistan
Mr. John Kellenberg	Sector Manager	World Bank	
Mr. Craig Meisner	Environmental Economist	World Bank	
Ms. Karin Shepardson	Lead Operation Officer	World Bank	
Ms. Margarita Grigoryeva	Communications Officer	World Bank	
Ms. Janna Rysakova	Social Development Specialist	World Bank	
Mr. Kubat Sydykov	Public Information Assistant	World Bank	
Ms. Ainura Kupueva	Operations Officer	World Bank	
Mr. Bakhyt Arystanov	Operations Officer	World Bank	