

## LAC REGION ENVIRONMENT STRATEGY CONSULTATIONS

### MEXICO, CENTRAL AMERICA, AND COLOMBIA, FEBRUARY 11-12, 2010

**STAKEHOLDER GROUP (S):** Government representatives (Ministries of Environment, Ministries of Finance, Water Agencies) from Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Panama, and Mexico; representatives from NGOs and academic institutions of these countries; and other agencies (UNEP- Latin America).

**Location of consultation:** Mexico City

**Date:** February 11-12, 2010

**Participants:**

See Annex below.

**World Bank Participants and Role:**

Karin Kemper (Sector Manager, LCSEN): Presenter

Irina Klytchnikova ( Environmental Economist, LCSEN): Resource person on Institutions and Governance

Laura Tlaiye (Advisor, CMD-TRE): Resource person on Safeguards

Ana Nunez Sanchez (ETC, LCSEN): Resource person on Mainstreaming

Ricardo Hernandez (Sr. Environmental Specialist, LCSEN): Resource person on Financial Innovation

**How did the process fit into ongoing country dialogue (if relevant; for international meetings, please explain how it fit into the topic of that meeting)?**

There has been a longstanding dialog on environment especially in Mexico, as well as in the other countries, and this consultation was complementary to it. The consultation was expressly organized for the 2010 Environment Strategy. The event was professionally moderated. Participants were first exposed to data and graphs depicting drivers of environmental challenges facing Latin America in the areas of urbanization (pollution/health impacts); depletion of natural resources (water/forests/land); climate change (agricultural vulnerability/natural disasters). Next, Karin Kemper made a presentation summarizing the Bank's response in assisting clients address these challenges.

The rest of the event consisted of break-out group discussions around four themes of particular interest to the Bank's 2010 Strategy: (i) environmental mainstreaming; (ii) environmental institutions and governance; (iii) financial innovation and the case of local/global issues; and (iv) environmental safeguards.

Breakout groups worked to define the challenges of each theme; their perception of the Bank's role; the consequences of action/inaction; and the options for addressing these challenges. The discussions were lively and rich in perspectives from each stakeholder viewpoint. A summary report of the main points raised is presented below.

## What were the key issues/themes raised by participants?

The breakout-groups raised the following main issues:

### Mainstreaming

- The WB should effectively strengthen environmental management systems to achieve sustainable development; impacts on natural capital should be internalized in projects and programs.
- Countries lack sufficient information and dissemination channels; means for stakeholder inclusion; access to environmental justice; and development of local capacities.
- There is insufficient social monitoring of the efficiency and effectiveness of WB-supported programs.
- A healthy environment and effective management of natural resources are key for poverty reduction; global sustainable development requires environmental governance at national and international levels.

### Institutions and Governance:

- Governments lack of an integrated and long term policy vision; and institutions able to plan accordingly.
- There is insufficient institutional capacity to address environmental problems. Weak implementation, monitoring, and enforcement.
- There is insufficient information/access to information regarding environmental policy; this hampers responsible public participation.
- Civil society participation is a necessary ingredient for sound policy-making; it needs to be ensured by regulation and fostered through capacity building.

### Financial innovation:

- There is a disconnect between the agenda promoted by the World Bank (and associated financial resources) and the needs of developing countries; access to these resources is hampered by a rigid regulatory framework; limited recipient technical capacity; and transaction costs.
- The existing financial instruments are insufficient to address environmental challenges and the World Bank tends to finance the central government; other stakeholders (private sector, communities, NGOs have limited access)
- World Bank projects miss to include lessons to achieve true mainstreaming (social, environmental, and economic) through a territorial approach. It assesses project adequacy by relying on its own evaluations without considering work from third parties (academia and NGOs).
- The WB project economic appraisal approach does not regularly incorporate social and environmental costs, as well as the role of new technologies.

### Safeguards

- Insufficient proactive dissemination of WB safeguards leads to insufficient public participation, limited accountability, and ownership.
- Programmatic lending should receive more environmental due diligence, public scrutiny, and should seek congruence with other programs financed by the WB.
- There are insufficient conflict resolution mechanisms in the current safeguards framework; governments may be inadequately prepared to handle them due to conflict of interest; however, external advisory panels created within projects may not be functioning either (they should be subject of an effectiveness review).
- Limited capacity, resources, and lax enforcement of environmental mitigation action plans.



Based on the above diagnosis, during the second day participants re-grouped in three groups and proposed the following strategic directions:

1. Promote and fund applied research, use of technology, and knowledge dissemination enabling more informed debate and decision-making on national environmental priorities. Facilitate knowledge exchange between countries.
2. The WB should apply environmental policies and tools to all sectoral programs through an integrated approach seeking to harmonize policies with other agencies, incorporate social and environmental costs, and support stakeholder capacity building.
3. Strengthen consultation mechanisms, including proactive engagement with civil society to better determine country needs and thus increase relevance and impact of WB-supported programs.
4. Strengthen management capacity in client countries by improving environmental planning, budgeting following priorities, and proper reflection in national accounting. Improve inter-institutional coordination, monitoring and evaluation; policy continuity between administrations, and accountability/governance.
5. Strengthen the WB safeguard policy framework by improved procedures for dissemination, implementation, compliance monitoring, and conflict resolution. This includes strengthening capacity of borrowers and stakeholders; development of additional conflict resolution mechanisms; and recognition of collective rights. Environmental evaluation of programmatic lending should receive more attention, including greater use of relevant tools (e.g., Strategic Environmental Assessment, best practice guidance).

**Annex - Participants - Mexico City Consultations – February 11-12, 2010**

<b>NO.</b>	<b>Name</b>	<b>Title</b>	<b>Organization</b>	<b>Country</b>
1	<b>Enrique Murgueitio</b>	Executive Director	Fundación CIPAV	Colombia
2	<b>Francisco Alberto Galán</b>	Executive Director	Fondo Patrimonio Nacional	Colombia
3	<b>Elsa Matilde Escobar</b>	Executive Director	Fundación Natura	Colombia
4	<b>Jerónimo Rodríguez</b>	Program Coordinator	Instituto de Investigaciones de Recursos Biológicos Alexander Von Humboldt	Colombia
5	<b>Lina Muñoz</b>	Professor	Universidad del Rosario	Colombia
6	<b>Oris Sanjur</b>	Head of the Molecular Laboratory	Smithsonian Tropical Research Institute	Panamá
7	<b>Charlotte Elton</b>	Member	Panama Audubon Society	Panamá
8	<b>Mara Murillo</b>	Regional Director	PNUMA	Panamá
9	<b>Joseph Benaim</b>	Director Environmental Policy Planning Office	ANAM	Panamá
10	<b>Juan Alberto Alvarez</b>	Director of Operational Planning Office	ANAM	Panamá
11	<b>Emma Leticia Díaz</b>	Viceminister	Ministerio de Medio Ambiente y Recursos Naturales	Guatemala
12	<b>Mario Hernández</b>	Executive Director	Rijatzul Q'ij (Semilla de Sol)	Guatemala
13	<b>Rosa María Chan</b>	Executive Director	Fundación Propeten	Guatemala
14	<b>Alvaro Moisés Calderón</b>	Executive Director	Salvanatura	El Salvador

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15	<b>Nelson Cuellar</b>	Coordinator	Fundación Prisma	El Salvador
16	<b>Victor Leonel Archaga</b>	Head of External Relations	The Nature Conservancy	Honduras
17	<b>Isaac Ferrera</b>	Executive Director	Fundación VIDA	Honduras
18	<b>Fausto Mejía</b>	Coordinator Forestry Monitoring Program	Comisión de los Derechos Humanos	Honduras
19	<b>Julio Cárcamo</b>	Program Director Honduras and Nicaragua	The Nature Conservancy	Honduras
20	<b>Laura Díaz</b>	Director Planning and Evaluation	MOPAWI	Honduras
21	<b>Manuel Alejandro López</b>	Executive Director	AMITRIGA	Honduras
22	<b>Zayda Trejos</b>	Viceminister	Ministerio de Ambiente, Energía y Telecomunicaciones	Costa Rica
23	<b>Maria Vanessa Zamora</b>	Director	Ministerio de Ambiente, Energía y Telecomunicaciones	Costa Rica
24	<b>Cristóbal (Tito) Sequeira</b>	Political Coordinator	Coalition for Rainforest Nations	Nicaragua
25	<b>Juan Godines</b>	Subdirector	SEMARNAT - Oficina de Financiamiento Estrategico	Mexico
26	<b>Vicente Gomez Palafox</b>	Head of Portfolio Management Department	SEMARNAT - Oficina de Financiamiento Estrategico	Mexico
27	<b>Elena Castrejon</b>	Head of Project Evaluation Department	SEMARNAT - Oficina de Financiamiento Estrategico	Mexico
28	<b>Jorge Arentes</b>	Financing Sub-director	SEMARNAT - Oficina de Financiamiento Estrategico	Mexico

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29	<b>Juan Carlos Carillo</b>	Program Coordinator	Centro Mexicano de Derecho Ambiental	Mexico
30	<b>Silvia Rodriguez</b>	Director of International Financing Organizations	Ministerio de Hacienda	Mexico
31	<b>Griselda Medina Laguna</b>	Manager of Implementation and Evaluation of Projects Financed by External Funds	CONAGUA	Mexico
32	<b>Estrellita Fuentes Nava</b>	Manager of Water Planning	CONAGUA	Mexico
33	<b>Carlos Espinosa</b>	Project Coordinator	CONAGUA	Mexico
34	<b>Adán Carro de la Fuente</b>	Head of Project	CONAGUA	Mexico
35	<b>Valeria Enriquez</b>	Researcher on Transparency and Accountability	FUNDAR	Mexico