

STAKEHOLDER GROUP (S): INTERAMERICAN DEVELOPMENT BANK - IDB

Location of consultation: Washington DC, United States

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Participants: Staff of the Interamerican Development Bank (IDB)

See Annex below with list of participants

World Bank Group (WB) Participants:

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Session Summary:

The following are the main comments provided by IDB staff:

- There are many opportunities for working together more effectively (IDB and World Bank), including through Country Environmental Analysis (CEAs) and Strategic Environmental Assessments (SEAs). Governance and country systems in client countries still pose challenges to this kind of work because of lack of capacity for implementation, for example, permit systems are still weak, particularly at the sub-national levels. There are also formidable bottlenecks at the local level for the implementation of recommendations. It is important to address the issue of government capacity in the new WBG Strategy beyond the ministry level down to the sub-national level.
- It is important that the regional differences are addressed in some way within the general strategy.
- Environment is at a crossroads with a lot of lingering “sticky” issues to address along with the new major focus on climate change. The last 25 years of WBG group experience should be considered, identifying key changes, in order to inform where the climate change agenda will be 25 years from now. There should be a critical rethinking and consideration of whether a radically different approach is needed for the future, or whether the current approach needs to be implemented more effectively.
- The Strategy should address how risks and opportunities should be balanced (and possibly merged), especially for big private sector investment projects, and how opportunities could be maximized to synergize work that is often going on in parallel with the public sector by the World Bank and private sector by the IFC. There are opportunities to improve impact through better coordination.
- It is important that there is dialogue between the IFC and the WB on working with safeguards (WB) and performance standards (IFC) from the beginning of a project.

- Capturing and internalizing externalities is a challenging exercise. . Transparency in decision making and distributional issues relating to the transformation of assets are core to achieving maximum development benefits. The WBG Strategy needs to address these challenges.
- Internal incentives for staff within the Bank should be addressed in the Strategy.
- The WBG needs to examine how to strike a balance between answering to a client driven operating structure and providing “inspirational” signaling and leadership on the environment.
- It is important to address how the impact of environmental Development Policy Loans (DPLs) should be measured, and if there is a counterfactual upon which to base a measurement. It should be considered whether the Strategy could propose specific strategic provisions for DPLs.
- There are trade and finance as well as fiscal aspects that are challenges for the environment. These entry points could be explored as ways to more effectively engage with Ministries of Finance and achieve better mainstreaming of environment across sectors.

Participants

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