

**Multistakeholder Consultation**

**May 10, 2010, Washington DC**

*Nota bene: This event was webcast live. The webcast containing verbatim responses to all questions and comments below may be viewed in its entirety at: <http://go.worldbank.org/SL6ULAV720> The following are summary highlights of the consultation on the Concept Note. Participants are invited to send additional comments via [www.worldbank.org/environmentconsultations](http://www.worldbank.org/environmentconsultations).*

**Questions and Comments from Participants:**

Question: Have there been consultations within the Bank Group to see how to better coordinate?

Comment: Feedback from regional consultations indicates that participants felt that they had ample opportunity to air their views and receive feedback from the Bank, which is positive.

Comment: The WBG should clarify what the role of the Strategy is and how it relates to the Strategic Framework for Development and Climate Change, the Clean Energy Investment Framework (CEIF) as well as to other WBG strategies, including those recently completed and those currently under development such as Energy, Urban, etc., and including to the work of the IFC. A mapping of how the Strategies and Plans are inter-related would help partners and stakeholders to better comprehend how they are linked, and where the synergies are.

Question: What is the mechanism for sharing lessons and consulting with other sectors given different timelines for preparation of their strategies?

**WBG Response:**

The Strategy will set out targets and indicators, but is not a policy document. Consultations and the development of the Strategy are an opportunity to have a dialogue with a wide range of stakeholders, both inside and outside the Bank, which is important for awareness raising and knowledge sharing, and to build consensus on the role of the Bank. It is also an opportunity to point, to the Board and Senior Management, areas where there is an opportunity for policy change. There will be areas that will lay the groundwork for a policy framework. The Strategy lays out ambitious directions and goals, and will set out the work program for the Environment Family across the Bank.

The Environment Family is working with other sectors to have them identify indicators to include in their strategies in order to reach environmental sustainability. The Energy Strategy, through its parallel, ongoing consultations, has already been modified to have two goals: to increase access while being environmentally sustainable. This process could lead to identification of areas for policy reform.

**Questions and Comments from Participants:**

Comment: The Strategy's focus should be to recognize and value biodiversity and ecosystem services. For example, how can we better value the effects on coastal protection from damage to coral reefs?

When looking at fisheries, the effects on the ecosystem from which fish are removed should be considered as well. All externalities should be considered.

Comment: The Strategy should include approaches to protect and conserve wildlife. Grant programs such as the Global Tiger Initiative (GTI) should be replicated.

Comment: The metrics and measurement that the WBG uses to do assessments should be changed. Aspects other than GDP growth should be considered, such as carbon emissions, water quality, water flows, etc. Spatial analysis should be done instead of only economic analysis.

Comment: The WBG's capacity building role should not only be with governments, but also civil society.

Comment: The Strategy should address the notion of a "green economy" and how the Bank can coordinate with other development partners in this area. A framework that incorporates natural capital and breaks this down to a national approach should be developed. If we want to address global public goods issues, we need to shift from the bilateral (World Bank – Governments) way of doing business. This way, governments can give appropriate attention to global public goods.

Question: How can the Bank ensure that countries that find safeguards procedures too cumbersome, and therefore opt out of working with the Bank, will undertake projects that are environmentally sustainable?

**WBG Response:**

Performance Standards at the IFC are being reviewed and revised and one of the changes being made is the introduction of ecosystem services.

In one of our client country consultations, it was suggested to discuss green development instead of green economy. How can we accelerate and leapfrog into clean energy, such as hydropower?

Environment is working closely with PREM to operationalize indicators and promote work on ecosystem valuation and expand payments for eco-system services.

We have received a great deal on feedback on the Bank's role on capacity development. Unfortunately, this is not a strong area for the Bank. Therefore we are analyzing options for engaging in this area.

If client countries do not work with the Bank because of safeguards, the Bank cannot force them to follow the safeguard standards. The important issue with safeguards is how to build capacity at the country level to move away from a project by project approach. The Bank will probably not change safeguards as IFC has, since IFC works in a different context with private sector. The Bank does a great job in Category A projects, but maybe how Category B projects are done need to be rethought.

Regarding capacity development, Bilaterals are better positioned to do this because they have experience in long term engagements.

Regarding green economy, in UNEP papers, ecosystem services is not mentioned in green economy, which poses the threat of green economy being only about green jobs.

Ecosystems need to be considered as assets in terms of what they mean in short and long term options. It is important that this is incorporated into country level governments.

#### **Questions from Participants:**

Question: Given that the Bank is not strong at capacity building, would partnerships with bilateral agencies or NGOs be an option?

Comment: The WBG can play a key role in framing the conversation on green economy and ecosystem services moving forward towards Rio+20.

Comment: The Bank has declared that it will not lend for projects on industrialized livestock production, such as poultry. However, IFC continues to lend money for these projects and this is an issue of great concern, as they contribute to climate change.

Comment: The Bank puts a lot of energy into approving its loans but less energy into their implementation. It appears that staffing in Bank offices could be more strategic in terms of environmental skills, perhaps through the decentralization process. The Strategy should include a Results Framework that will drive better staffing in the field and improved implementation.

Comment: The Strategy should ramp up coordination among agencies and strengthen country systems and also unify procedures for borrowers.

Question: Can the WBG align its procedures with strategies of RDBs?

Question: Has the WBG engaged with the OECD? Their Results Framework is very concrete with respect to capacity building.

Question: Some 50% of the globe is beyond national jurisdiction. Has the WBG given thought to how to get countries to better enforce policies and regulations, both within their territories and beyond? Has there been consideration on how internet and posting information can discourage corruption and other processes that affect environmental sustainability?

Question: There is a great deal of information and methodologies and tools that are not being made available. Perhaps CSOs can encourage the MDBs to make more of these resources more accessible / widely available? This will help to increase transparency and identify the information required to create baselines.

#### **WBG Responses:**

The issue on livestock will have to be looked into.

The results framework is work in progress. This is the most difficult part of defining the Strategy because it is difficult to identify and track meaningful indicators. One question is whether we will end up with a Strategy or a Strategic Framework.

The Bank has decentralized and will continue to do so, although there are formidable budget issues linked to decentralization. There is already strong presence of sector specialists, including environmental specialists, in the field. This would be strengthened through further decentralization. In our consultations with RDBs (IDB, ADB), there has been an interest in coming together on objectives and performance. The Climate Investment Funds have been a successful effort on improving collaboration between the Bank and RDBs. It is important to build platforms for RDBs to work together with global, regional and country level partners.

Bank is effective on capacity building through lending operations: a lot occurs but is not captured or reported on. Capacity building happens as a long term process and needs to be country led. The challenge is to get local, regional and global teams to work together effectively. Another challenge in this area is that most countries do not want to borrow for capacity development, but only want grants for this. This is another reason why bilateral organizations are more effective in this area.

Regarding Global Public Goods, the WBG has had some successes moving from country efforts to regional efforts. However, this cannot be done with a top-down approach. There needs to be country ownership. There needs to be a group of countries that are willing to collaborate on a group of issues. How to generate country ownership for regional initiatives needs to be examined.

There are many new tools in the context of information disclosure. For example, text messages have been used to share information as experimentation for good governance tools. It is also important to note that the Bank will have a new disclosure policy beginning July 1, 2010, which will enable wide access of information.

#### **Questions and Comments from Participants:**

Question: How is all the information from the analytical work going to be pulled together considering the large scope involved?

Question: What is the relationship between the paper on Monitoring Environmental Sustainability and the results framework?

Comment: The Strategy should give attention to how the WBG can best support countries at high risk in addition to those in Africa, including Small Island Developing States.

Comment: More data sets should be incorporated in order to develop the results framework.

Comment: Use of country systems should be addressed in the strategy, including in relation to the issue of capacity building.

Comment: The Global Tiger Initiative and the Critical Ecosystem Partnership Fund are examples of the Bank showing strong leadership and sending clear signals – the Strategy should send strong signals and take leadership on a few key issues in a flagship way. Will the Bank engage with stakeholders to identify those key issues?

Comment: The WBG should not be looking at trade-offs, but co-benefits instead.

Comment: The WBG should incorporate the gender perspective, since it is very important in environment. The benefits of incorporating gender should be communicated throughout the Bank and to governments.

Comment: The WBG should show respect for Indigenous values.

Comment: The Strategy should be more specific about what mainstreaming means.

Comment: While there are pressing issues that need attention due to their potential negative effects in the long run, such as climate change, the Strategy must pay strong attention to populations that are being affected now by, for example, extremely poor environmental health issues. People are dying now.

Comment: There is big potential for the Bank to send important market signals in a range of key areas, including cookstove projects, to catalyst innovation (for cleaner stoves).

Comment: The Strategy should lay out how the Bank will engage better with the private sector, with Rio + 20 coming up, and with an eye to sector-specific tools for enhancing environmental sustainability.

Comment: The Strategy should focus on communicating its role and the Strategy's objectives/rationale to a broader public.

Comment: Marine issues across the board should be given adequate attention, as the impacts on development are huge.

Comment: Invasive species are a big threat to developing countries but there is less awareness of the threats. The Strategy should not overlook this issue.

### **Concluding Remarks by WBG:**

There are two important main challenges in the development of the Strategy:

1. The development of the results framework
2. Determine 2 or 3 flagship issues where the WBG can concentrate to achieve major achievements, that utilize the comparative advantage of the Bank, namely its relationship with Ministries of Finance and its ability to build partnerships.