



World Bank

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WORLD BANK PUBLISHES ITS FIRST ENVIRONMENTAL ANNUAL REPORT

WASHINGTON, September 24, 1990 -- The World Bank moved steadily over the past year toward the integration of environmental concerns in all aspects of its operations, according to the institution's first annual report on its environmental activities released today.

The Bank approved 11 loans--totaling \$403.9 million--to support free-standing environmental projects in fiscal 1990, which ended June 30, 1990. Only two loans for free-standing projects were approved the previous year. Fifty percent of all loans approved in fiscal 1990--107 loans--contained environmental components.

International consultations, involving not only concerned governments but also the Bank, the United Nations Development Programme and the United Nations Environment Programme, have been taking place on the establishment of a Global Environmental Facility. Such a facility would finance programs to address problems such as the depletion of the earth's ozone layer, the "greenhouse effect," loss of the planet's biodiversity, and ocean pollution. Meanwhile, the Bank has been asked to administer a special fund of at least \$160 million over three years to protect the ozone layer.

The Bank's progress in addressing environmental issues in the identification and design of projects has been rapid, as exemplified by the implementation of the new Environmental Assessment Operational Directive designed to ensure that environmental consequences--both positive and negative--of projects are recognized early and taken into account in project design.

In fiscal 1990, the Bank helped several countries complete environmental action plans, some of them of a comprehensive, countrywide nature while others deal with specific problems. Major environmental issues--industrial pollution and tropical forest management, for example--were included in projects in a number of countries. An action plan to mitigate chronic flooding in Bangladesh was drawn up, and the World Bank, in cooperation with the European Investment Bank, launched the Environmental Program for the Mediterranean, a major regional initiative.

The Bank undertook a wide range of policy and research activities during the year to improve understanding of the extent, causes and economic consequences of environmental issues, including natural habitats, forestry, dam construction, land degradation, soil management, and air pollution.

"The growing economic interdependence among countries is paralleled by a growing physical interdependence, as exemplified by the global commons issues of greenhouse warming and threats to the ozone layer," the report states. "A global partnership, in which all countries play their part, is essential if enduring gains are to be achieved."