

The East Asia and Pacific Region Environment Strategy

growth, stability, regional integration, improved governance, and the achievement of the MDGs. Accordingly, the objectives of the regional environment strategy are to help client countries to:

◆ *Improve the quality of life* (people's

health, livelihoods, and security) by enhancing environmental conditions and reducing vulnerability to environmental hazards.

- ◆ *Enhance the quality of growth* by strengthening the policy, institutional, and regulatory framework for sustainable environmental management, and promoting the mainstreaming of environmental issues into policies and sector programs and projects.
- ◆ *Protect the quality of the regional and global commons* by addressing cross-boundary, regional, and global environmental issues.

As discussed in the previous chapter, the Bank has vast experience in providing environmental assistance through lending and non-lending services to client countries in the region. Many ongoing activities are already in line with these strategic objectives. Nevertheless, there is a need for a concerted effort to realign and

Achieving progress toward sustainable development and meeting the targets of the MDGs in the EAP region will require improved policies and institutions, as well as financial resources that are commensurate with the challenge. These objectives also require a concerted effort by individuals, public and private sector organizations, civil society, and the entire development community.

Realigning Bank Support with Strategic Development Objectives

The EAP Environment Strategy is framed by the strategic objectives of the corporate Environment Strategy (World Bank, 2001c), and the Bank's broader strategy in the EAP region, which is based on supporting economic

refocus environmental assistance according to these objectives.

Improving the quality of life. The EAP Environment Strategy aims to assist client countries to reinforce the positive linkages between good environmental management and quality of life by focusing on the following key areas:

- ◆ *Improving urban and peri-urban environmental conditions* through (a) wider access to safe water, sanitation, waste management, and health / hygiene education, with the aim of achieving key targets and environmental health objectives of the MDGs (see box 1); (b) improved urban air quality, with a focus on the reduction of ambient concentrations of fine particulates through cost-effective measures in the transport, energy, industry, and residential sectors; and (c) integration of environmental considerations into urban land use planning, transport management, and industrial development.
- ◆ *Promoting cleaner energy sources and uses* through (a) increased access to renewable energy sources, particularly in rural areas; (b) switching to cleaner fuels for transport, energy production, and domestic fuel use; (c) improved energy efficiency; and (d) adoption of effective pollution abatement and environmental management measures.
- ◆ *Supporting sustainable natural resource management practices* to halt, and where possible reverse, the degradation of forests, water,

coastal zones, and land resources on which people's livelihoods depend. This includes promoting (a) integrated natural resource and ecosystem management, including river basin, aquifer, lake, and coastal zone management; (b) sustainable forest management and certification mechanisms in order to prevent illegal logging; and (c) community involvement in resource management and ecosystem and biodiversity conservation using participatory approaches.

- ◆ *Reducing vulnerability to natural disasters and the impacts of climate change* by enhancing the preparedness for, and adaptation to extreme events including floods, droughts, cyclones, earth quakes, and storm surges by supporting (a) vulnerability assessments, and the establishment of early warning systems; (b) strengthening institutional capacity to improve weather forecasting, and awareness building; and (c) piloting initiatives in vulnerable areas to promote community-level activities, such as reforestation, restoration of wetlands, and protection of mangroves to improve coping mechanisms.

Enhancing the quality of growth. Policies and institutions play a key role in influencing environmental governance, regulating externalities and the use of open-access resources, and facilitating ecosystem-based approaches such as watershed and airshed management. The strategy proposes to support client countries in the following areas:

- ◆ *Improving policy and regulatory frameworks* through activities that promote (a) the economic analysis of environmental damages (see box 3.1); (b) the establishment and clarification of property rights and proper pricing of natural resources, particularly timber and water; (c) improved emission standards and transport fuel quality regulations; (d) the integration of environmental considerations into sector policies and programs, as well as spatial (e.g. urban and regional) development plans; (e) effective environmental regulatory approaches, including incentive-based tools such as environmental taxes and charges to promote pollution prevention and sustainable environmental management practices; and (f) enhancement of EA practices, particularly the consideration of alternatives and stakeholder participation.
- ◆ *Strengthening institutional capacity* for (a) integrated natural resource management (for example, watershed and airshed management); (b) enhanced regulatory frameworks including the integration of environment into economic and social planning and cross-sectoral coordination among agencies; (c) the measurement and monitoring of environmental performance, and enforcement of environmental regulations; (d) effective public environmental expenditure management; and (e) public environmental information disclosure programs and involvement of stakeholders in decisionmaking on development projects, plans, programs, and policies.

Box 3.1 Working with China on Environmental Cost Model and Green Accounting

The World Bank has been supporting client countries in the EAP region to develop and apply tools that raise awareness of the importance of environmental issues for development, and enhance the environmental sustainability of policies. In China, a multi-year program is underway to assess the economic costs of environmental health damages and to build an environmental cost model. Initial findings suggest that significant gains can be expected from more proactively addressing water pollution issues. Building on this work, the Bank is working with the Government of China to refine and apply methodologies for green accounting.

Source: World Bank 1997b.

- ◆ *Engaging the private sector and civil society in improving environmental management* through (a) environmental awareness building and education including the engagement of youth networks when feasible; (b) programs that engage civil society, including faith organizations, to support environmental protection; (c) programs for enhanced corporate environmental and social responsibility, voluntary public environmental disclosure, and improved environmental management systems such as ISO 14000; and (d) public-private partnerships in providing environmental services, where feasible.

Protecting the quality of the regional and global commons. Environmental problems span administrative boundaries and are felt regionally and globally. Analytical tools, partnerships, and financing mechanisms are needed to facilitate effective and equitable solutions. The strategy supports clients in:

- ◆ *Improving cross-boundary watershed, air quality, and ecosystem management.* Priority areas include (a) equitable water resource utilization and ecological balance among countries in the Mekong River basin; (b) engagement in regional policy dialogue and technical assistance for improved air qual-

ity management (box 3.2); (c) the reduction of land-based marine pollution (box 3.3); (d) the strengthening of protected area management, preferably through larger-scale interventions addressing systems of protected areas; and (e) integration of environmental considerations into regional policies and programs, including trade policies to ensure the adherence to international environmental agreements (e.g. on the trade of hazardous substances and endangered species).

- ◆ *Building on synergies between local and global environmental benefits.* The Bank will support climate change initiatives to (a) im-

Box 3.2 The Clean Air Initiative for Asian Cities

The Clean Air Initiative (CAI) was launched in February 2001 by the Asian Development Bank and the World Bank. Since its inception, the CAI has developed into a partnership among government agencies, academia, NGOs, and the private sector to advance innovative ways of improving air quality in cities and to share knowledge and experience across cities, countries, and regions. It has brought together a range of cross-cutting expertise and has mobilized work on a range of activities including:

- ◆ Meta-analysis of environmental health studies to assess the impacts of air pollution on health (see box 1.1)
- ◆ Benchmarking of air quality and air quality management capacity in Asian cities
- ◆ Regional workshops on policies, strategies, and technical issues such as two-stroke engines, scrappage schemes, inspection and maintenance programs, fuel quality, transport management, and indoor air pollution
- ◆ Policy dialogue between auto manufacturers and oil companies to discuss vehicle and fuel quality standards
- ◆ Establishment of a regional network of Asian training institutes to support capacity enhancement activities
- ◆ Coordination among institutions and regional initiatives addressing air quality management
- ◆ Creation of a Website to share cross-sectoral and cross-regional knowledge concerning air quality management.

Source: Clean Air Net Website, <http://www.cleanairnet.org/caiasia>.

Box 3.3 Proposed New Regional GEF-Supported Initiatives

Recent GEF-supported initiatives are taking a programmatic approach to environmental challenges:

Promotion of sustainable urban transport strategies and programs. With an initial focus on China, but with an aim to replicate in other countries, GEF-supported initiatives are planned to help China develop and implement a long-term, environmentally sustainable urban transport policy framework and investment program that would simultaneously improve both urban transport services and air quality.

Reduction of land-based pollution of East Asia's marine ecosystems. Recognizing that millions of people in the EAP region depend on marine resources, but that worsening land-based pollution is rapidly destroying them, the establishment of a regional GEF co-financed fund has been planned. The fund would aim to accelerate both public and private investment to reduce land-based pollution of the region's rivers, estuaries, and shared water bodies.

Source: EAP Environment and Social Development Unit.

prove energy efficiency, access to renewable energy (especially in poor rural areas), switching to less polluting fuels, and improved transport management; and (b) adaptation to climate change in coastal and island states through improved knowledge tools and assistance to design and implement adaptation projects using GEF and other sources of funding. In the biodiversity protection area, the Bank will support (a) the integration of biodiversity protection into natural resource management projects and programs such as sustainable forestry, coastal zone and marine protection, and river basin management; and (b) market creation for biodiversity conservation and sustainable use.

- ◆ *Leveraging financial resources to catalyze local action for global environmental progress.* This will include strengthening the region's already substantial portfolio of global pro-

grams by (a) enhancing the strategic focus of GEF-financed activities and expanding into new areas such as the support to the phaseout of persistent organic pollutants, (see box 3.3 and appendix C); (b) continuing the shift to programmatic approaches in the ODS phaseout program (see appendix D); and (c) building a carbon finance portfolio to support client countries' efforts to implement the Kyoto Protocol in an equitable manner (see box 3.4 and appendix E).

Tailoring the World Bank's Approach to Country Needs

Countries in the EAP region vary substantially with respect to their economic development,

Box 3.4 Carbon Finance: Opportunities for Generating Local and Global Environmental Benefits

The Bank's carbon funds have been set up as public-private partnerships designed to mitigate climate change by offering learning-by-doing opportunities to carry out transactions to buy certified carbon emission reductions. The Prototype Carbon Fund (PCF) primarily focuses on carbon reductions associated with renewable energy technologies, improvement of energy efficiency, and capture of waste gas. The Community Development Carbon Fund (CDCF) links carbon finance opportunities with small-scale projects undertaken by communities in least-developed countries. The Biocarbon Fund pioneers carbon financing for carbon sequestration to promote afforestation and reforestation activities through community participation.

The Bank estimates that the region could supply up to 200 million tons of carbon reductions, or more than 20 percent of the likely demand of OECD countries. Depending on the future prices that buyers are prepared to pay for carbon reductions, this could translate into revenues of \$400 million to \$1.4 billion during 2004–12. About 80 percent of this market potential is in China. Building on this significant potential, the Bank expects to actively expand its carbon finance business in the EAP region during FY 2005–07.

Source: For details on the carbon funds, see <http://carbonfinance.org>.

the environmental issues they face, and their capacity to address these issues. In addition to applying the Bank's safeguard policies to all Bank lending operations, the EAP Environment Strategy adopts a differentiated approach to countries taking into account key environmental indicators and trends; established environmental dialogue and client demand for Bank assistance; development partners' involvement in environmental assistance; and the Bank's comparative advantage. On the basis of these analyses and the region's broader assistance strategy, the following country groupings and priority environmental interventions for the next three years can be identified:

- ◆ *China.* Rapid economic growth in China implies that many investment decisions are

made in a short period of time that will determine environmental performance for many years to come. Supporting the integration of environmental considerations into development plans and projects is, therefore, key priority to ensure sustainable outcomes, and minimize costlier "retrofitting" later. Areas of focus for Bank assistance include (a) analytical work in a range of priority areas, including the valuation of environmental health risks, green accounting, environmental challenges of urbanization, environment-poverty linkages, pollution prevention and management; (b) upstream policy dialogue in the context of the China Council for Sustainable Development, sustainable transport policy, and biodiversity conservation to support the integration of

environmental considerations at the policy and planning stage; (c) investments in urban environmental infrastructure, energy efficiency, and sustainable water and land management through sector projects; and (d) assistance in addressing regional and global issues such as biodiversity conservation, climate change, ozone depletion, and the phaseout of persistent organic pollutants. Carbon finance (CF) opportunities will be used, with focus on urban waste management where synergies with local environmental benefits could be strongest. Partnership such as the recently established *Italian Trust Fund for Environment* will be expanded to support environmental capacity development and project financing. Responding to client interest, increased reliance on client capacity for safeguard management will be piloted in selected sectoral and provincial context.

- ◆ *Upper-middle-income countries (Korea, Malaysia, and Thailand)*. In these countries, sustained strong economic growth and relatively high urbanization levels and rates keep urban environmental issues in the forefront of environmental attention. They have considerable experience and lessons learned in developing environmental policies and institutions, and addressing environmental challenges effectively. Focus areas for the environment strategy are (a) knowledge partnerships supporting analytical work on country environmental priorities and methodological tools for capacity building; (b) the facilitation of knowl-

edge transfer to other countries in the region; and (c) support for the implementation of global programs such as ODS and CF, particularly in Malaysia and Thailand. Country interest in piloting greater reliance on country policy and institutional capacity will be explored if the lending program expands in these countries.

- ◆ *Lower-middle-income countries (Indonesia and the Philippines)*. These countries struggle with serious governance issues that effect natural resource and environmental management. In addition, urban environmental challenges continue growing in response to very high urbanization rates, while environmental regulatory frameworks are still developing. In these countries, environmental assistance will focus on (a) analytical work, policy dialogue, and awareness raising on critical environmental issues (e.g. forestry); (b) assessment of capacity and support for policy and institutional development including considerations for policy development lending; (c) investments in environmental services and selected environmental priorities (e.g. coastal zone management) using CDD approaches or sectoral interventions; and (d) focus on selected global issues.
- ◆ *IDA countries (Cambodia, Lao PDR, Mongolia, Timor-Leste, and Vietnam)*. These low-income countries struggle with high levels of poverty, weak institutional capacity, and often serious governance issues. They are strongly dependent on their natural resources to support sustained economic growth, com-

bined with a relatively high population growth rates. Their nascent environmental regulatory frameworks are still evolving. Focus for the environmental strategy includes (a) analysis of poverty-environment linkages and assistance to integrate environment into PRSP processes; (b) capacity building for environmental management; and (c) investment in environmental services and selected environmental issues. Two countries in this group will receive special attention: (1) Lao PDR, where the preparation of the Nam Theun 2 (NT2) hydropower project will require the urgent and sustained enhancement of institutional capacity for environmental management; and (2) Vietnam, which offers an opportunity for stronger engagement in environmental issues due to its rapid economic growth, urbanization, and global environmental significance; building on current efforts in safeguard harmonization and the preparation of technical and sectoral guidelines and frameworks, greater reliance on local systems and capacity will also be considered on a pilot basis.

◆ *Pacific Island Countries (PICs: Fiji, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands, Vanuatu).* The rich natural resource base in PICs has largely protected them from extreme poverty, but poor NRM practices have undermined many of these natural assets. The region is also vulnerable to the impact of extreme weather events and long-term climate change; indeed, many ongoing socio-eco-

nomic trends are increasing this vulnerability. In these countries the Bank will (a) selectively identify areas of comparative advantage in analytical and technical capacity; (b) develop links and improve coordination with development partners; and (c) support enhanced sustainability and transparency in natural resource based industries. The Bank's focus areas will include forestry (Fiji), climate change adaptation (Kiribati), and NR valuation (Palau).

Adjusting Bank Services and Priorities

As described in Chapter 2, the Bank supports its environmental strategy through a variety of tools from lending to non-lending services, partnerships, and the application of its environmental and social (safeguard) policies. Taking into account (a) strategic development objectives; (b) lessons from the stocktaking of the Bank's past environmental assistance; and (c) recent developments in external and internal contexts, the strategy proposes the following key adjustments in the next 3 years:

1. Moving upstream to address environmental priorities proactively at the country level.
2. Scaling up development effectiveness by focusing on country systems and client capacity.
3. Managing the environmental risks of the Bank's expanding infrastructure portfolio.

Moving upstream to address countries' environmental priorities proactively. In recent years, new development approaches have emerged, including lending through sectorwide approaches (SWAPs), Poverty Reduction Support Credits (PRSCs), and other forms of policy support lending. These new approaches require more systematic integration of environmental management issues from the start, through upstream analytical work, involvement in policy dialogue, focus on clients' environmental management capacity, integration of environmental considerations into poverty reduction and sectoral strategies, as well as into the Bank's country assistance strategies (CASs). This is especially relevant in the context of the new Operational Policy 8.60 on Development Policy Lending (see box 3.5).

In addition, the Bank and the development community have committed themselves to improving their focus on development outcomes such as the MDGs. Defining achievable outcomes and working toward them are still great challenges, particularly in the area of environmental sustainability, where, with the exception of some programs, linkages between the Bank's assistance and results on the ground are hard to establish. Nevertheless, identifying and monitoring key environmental indicators, intermediate development outputs, and achievable outcomes must become an important element of country assistance strategies, country-level analytical work, project design, and sector reviews. The following discussion outlines key areas for adjustment in the Bank's priorities:

Box 3.5 **Considering Environmental Issues in Development Policy Lending**

The new Operations Policy (OP) 8.60 on Development Policy Lending (DPL) recommends:

- ◆ *At the country/Country Assistance Strategy (CAS) level:* upstream analysis of countrywide or sectorwide environmental policies, institutions, and regulatory capacity in the form of country environmental analysis, sector environmental assessment, or equivalent; and
- ◆ *At the level of an individual operation:* (a) the Bank should determine whether specific country policies supported by the operation are likely to cause significant effects on the country's environment and natural resources; (b) for country policies with likely significant effects, the Bank should assess the borrowers' systems and capacity for reducing adverse effects and enhancing positive effects, drawing upon relevant country-level or sectoral environmental analysis; and (c) as needed, the Bank should assess the country's relevant measures to strengthen its capacity for environmental and natural resource management.

DPLs may also be considered as an instrument to support environmental policy and institutional reform.

Source: World Bank (2004d).

- ◆ *Enhancing strategic environmental analyses.* Analytical and advisory assistance needs to be strengthened to help client countries integrate environmental considerations into planning processes and policymaking. In line with this, studies of environment-poverty linkages will be completed in Cambodia, Lao PDR, and Vietnam. The focus will be on the increased use of Country Environmental Analyses (for example in Vietnam), and Strategic (regional, sectoral, or policy-based) Environmental Assessments (SEAs). Specific SEAs will be undertaken in areas where projects and programs supported by the Bank may have cumulative or sector-wide environmental implications that could not be addressed through project-specific EAs, and in order integrate environmental considerations early at the planning phase. In addition, the Environment Monitor series will be continued to help consolidate the use of environmental indicators, monitor trends, and build public awareness and commitment to environmental issues. The emphasis for upstream analyses will be on timely, systematic, and quality inputs for “greening” CASs, PRSPs, and development policy lending operations.
- ◆ *Strengthening support for projects and programs that address environmental priorities proactively.* In addition to ongoing programs, the focus will be on (a) engaging in new business opportunities, such as carbon finance and the phaseout of persistent organic pollutants; (b) supporting community-driven approaches to environmental

management and conservation; and (c) developing of new partnerships with governments and development partners (for example, in China and Mongolia) to provide greater synergy and incentives for countries to address environmental issues, especially where “soft” IDA resources are not available.

Scaling up development effectiveness by focusing on country systems and client capacity.

Environmental policy and institutional development is an important condition for countries to pursue sustainable development. During recent years it has been increasingly recognized that in cases where countries have strengthened their policy and institutional capacity for managing and safeguarding environmental resources, Bank-supported projects are more sustainable and achieve greater development impacts. In these cases, the Bank has increasingly relied on local capacity to ensure compliance with the Bank’s policies. In China, for example, several local institutions have strong capacity to prepare EIAs that are consistent with international good practice and the Bank’s own requirements. Therefore, it is important to recognize and build on clients’ own environmental management capacity in preparing development projects. The focus will be on the following three areas:

- ◆ *Assessing environmental policy and institutional capacity and performance systematically.* Either as part of strategic analyses or separately, the Bank will undertake systematic assessments of environmental policy and

institutional capacity and performance in several countries, sectors, or provinces, including in China, Indonesia, the Philippines, and Vietnam. It will also work with clients on the establishment of frameworks for measuring and benchmarking institutional performance (for example, Indonesia's Good Environmental Governance Program).

- ◆ *Supporting policy and institutional development.* The Bank will continue to rely on grant facilities such as the Institutional Development Fund (IDF) to support policy and in-

stitutional capacity development. Environmental policy and institutional reform will be supported in PRSCs and other development policy lending when feasible. Recognizing the limitations for long-term engagement through these instruments, the Bank will also explore opportunities for long-term partnerships with development partners, including the possibility of blending Bank and bilateral grant resources to support institutional development (box 3.6).

- ◆ *Piloting greater reliance on client capacity for environmental management.* In cases where

Box 3.6 Examples of World Bank-Supported Global, Regional, and Subregional Environmental Partnerships

- ◆ *Clean Air Initiative (CAI)* for Asian Cities is a multi-stakeholder regional partnership program (see Box 3.1).
- ◆ *World Bank/WWF Forest Alliance* is a global partnership between the two institutions to support improvements in protected area management, the restoration of most threatened and degraded forests, and the independent certification of managed forests. The partnership has included projects in Cambodia, China, Lao PDR, and Indonesia.
- ◆ *The Critical Ecosystems Partnership Fund* is a global partnership financed by the World Bank, the GEF, the Government of Japan, the MacArthur Foundation and Conservation International, which also executes the fund. It supports projects by NGOs in biodiversity hotspots, which encompass Sundaland (Borneo, Sumatra, Peninsular Malaysia, and Java), Wallacea (Sulawesi, Moluccas and Lesser Sundas, Philippines), and Indo-Birma (Indo-China, Burma, and eastern Himalayas).
- ◆ *Faith in Conservation Initiative* is a global initiative which is heavily focused on the EAP region. It involves major religious organizations in the region to demonstrate the strong links between religious faiths and environmental stewardship, and helps engage faith groups in conservation efforts and development planning (see also box 2.2).
- ◆ *Targeted Research and Capacity Building for Coral Reef Management* is a GEF-financed global initiative that involves universities and institutions dealing with coral reef-related research and management including this in Indonesia and the Philippines, and support from the University of Queensland, Australia.

Source: EAP Environment and Social Development Unit

assessments of client capacity and track record have indicated strong alignment with international good practice and Bank requirements, the Bank will pilot greater reliance on client capacity in order to reduce the burden of parallel Bank requirements.

Managing the environmental risks of the Bank's expanding infrastructure portfolio. Rapid economic growth, urbanization, and regional integration generate growing demand for infrastructure services. Managing the environmental and social risks and challenges associated with the Bank's expanding infrastructure portfolio will be an important focus for the Bank's environment strategy, which will focus on the following key areas:

- ◆ ***Enhancing Strategic Environmental Assessments (SEAs).*** In addition to traditional environmental assessment, SEAs will be important tools for supporting upstream sectoral and regional planning for infrastructure development, including cross-boundary expansion of road and electricity networks and water resource development.
- ◆ ***Promoting and engaging in stakeholder dialogue.*** The sustainability and acceptability of infrastructure development depends on the extent to which affected stakeholders are involved in the decisionmaking process in the design and implementation phases. The Bank will continue to work with client countries to enhance their systems and practices to engage in a dialogue with key

stakeholders, and facilitate such dialogue in the context of Bank-financed projects.

- ◆ ***Improving the monitoring of environmental and social outcomes of projects and programs.*** Increased efforts will be made to enhance client monitoring capacity and to assess the environmental outcomes of projects, including those related to the achievement of MDGs.

Responding to Regional Environmental Priorities—Working with Development Partners

As economic development continues in the region, the magnitude and severity of transboundary environmental problems are expected to increase. The tragic tsunami event also served as a stark reminder of the region's vulnerability to large scale natural disasters, and the need to join efforts in improving early warning systems and ensuring the sustainability of development in damaged areas. In addition, as the region is integrating, the coordination of environmental policies and mechanisms for environmental collaboration will be important elements of facilitating trade and economic relations.

Regionally significant environmental issues require policy dialogue and mechanisms for collaboration among several stakeholders, often with diverse values, objectives, and inter-

ests. The Bank has been systematically sought out by client countries and development partners for (a) its analytical strength and its cross-regional experience with environmental management; (b) its ability to link environmental policy dialogue with financing in a range of sectors; (c) its convening power; and (d) its ability to mobilize and leverage grant financing for regional and global environmental programs. Based on these comparative advantages, enhanced engagement in regional environmental programs is envisaged with a focus on the following areas:

- ◆ *Engaging in regional environmental policy dialogue* in the context of existing mechanisms and fora established by ASEAN, UNEP, UNESCAP, the Greater Mekong Subregion (GMS), as well as through environment ministers' meetings.
- ◆ *Facilitating cross-boundary environmental collaboration* to support integrated protected area management (for example, between Lao PDR and Vietnam), watershed management (for example, in the Mekong subregion), tsunami recovery initiatives (with various GEF projects in the littoral Indian Ocean states), and multi-stakeholder initiatives such as the Forest Law Enforcement and Governance (FLEG) program.
- ◆ *Supporting knowledge partnerships* among a range of stakeholders to facilitate technical and policy dialogue, south-south collaboration, emergency information networks, advocacy, and capacity building on environmental issues of regional significance, for

example the Clean Air Initiative and the Faith and Conservation Initiative (see box 2.2).

- ◆ *Collaborating with development partners* on the harmonization of analytical frameworks and safeguard procedures, (for example, with ADB, JBIC, and other IFIs); environmental indicators and capacity building programs (for example, with UNEP, UNDP, bilateral partners and NGOs).

Summary—Implementing the Strategy

Implementation of the strategy involves several sectors, constituencies, and development partners. Key development objectives; related priority Bank activities in the area of analytical support, capacity building, project financing during the next 3 years, including responsible organizational units are summarized in the Strategy Implementation Matrix in appendix A. Details of strategic directions for specific business lines such as GEF, ODS, and Carbon Finance are described in more detail in appendixes C-E.

The implementation of the Strategy calls for enhanced collaboration with development partners externally, and coordination among country and sector units internally in order to strengthen the strategic directions and development impact of environmental assistance to client countries.

