

# ENVIRONMENT STRATEGY

For the World Bank in the  
East Asia and Pacific Region

March 2005



THE WORLD BANK

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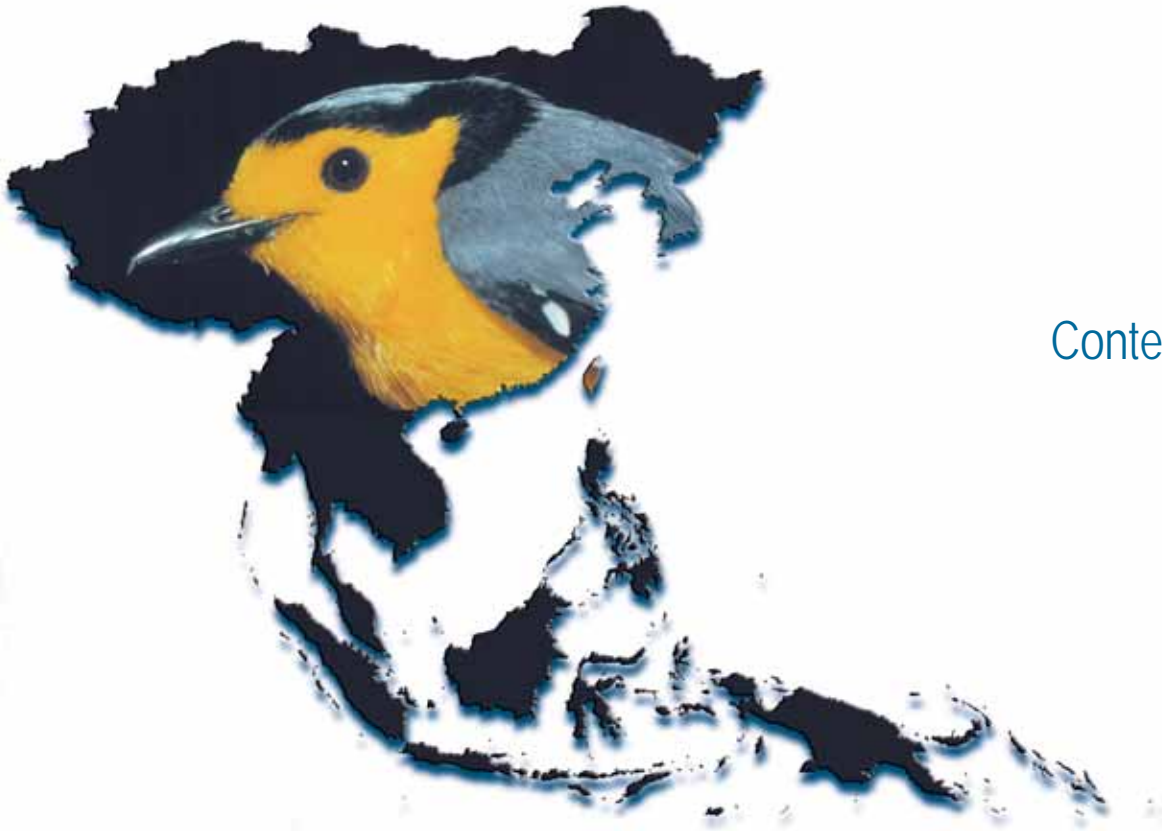
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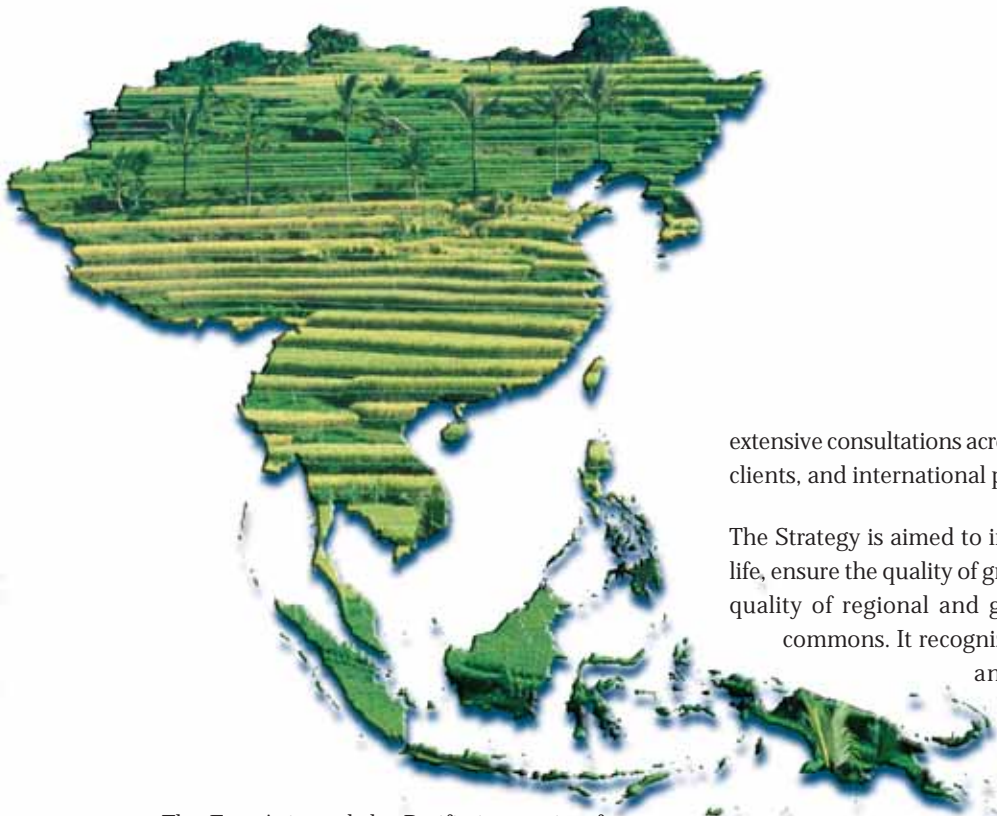
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## Foreword

extensive consultations across World Bank teams, clients, and international partners.

The Strategy is aimed to improve the quality of life, ensure the quality of growth, and protect the quality of regional and global environmental commons. It recognizes the different local and country contexts and develops a tailored approach to meet specific

The East Asia and the Pacific is growing faster than any other region. While rapid economic growth has contributed to significant improvements in human welfare, it has also led to profound socio-economic changes, and serious environmental implications such as air and water pollution, rapid depletion and degradation of natural resources, and the rapid loss of the region's rich biodiversity endowment. These, in turn, effect people's health, livelihood, and security, and compromise the potential of sustained growth and its benefits for future generations. Recent trends such as increasing regional integration and globalization have introduced new challenges with wide ranging implications—*not least for the environment.*

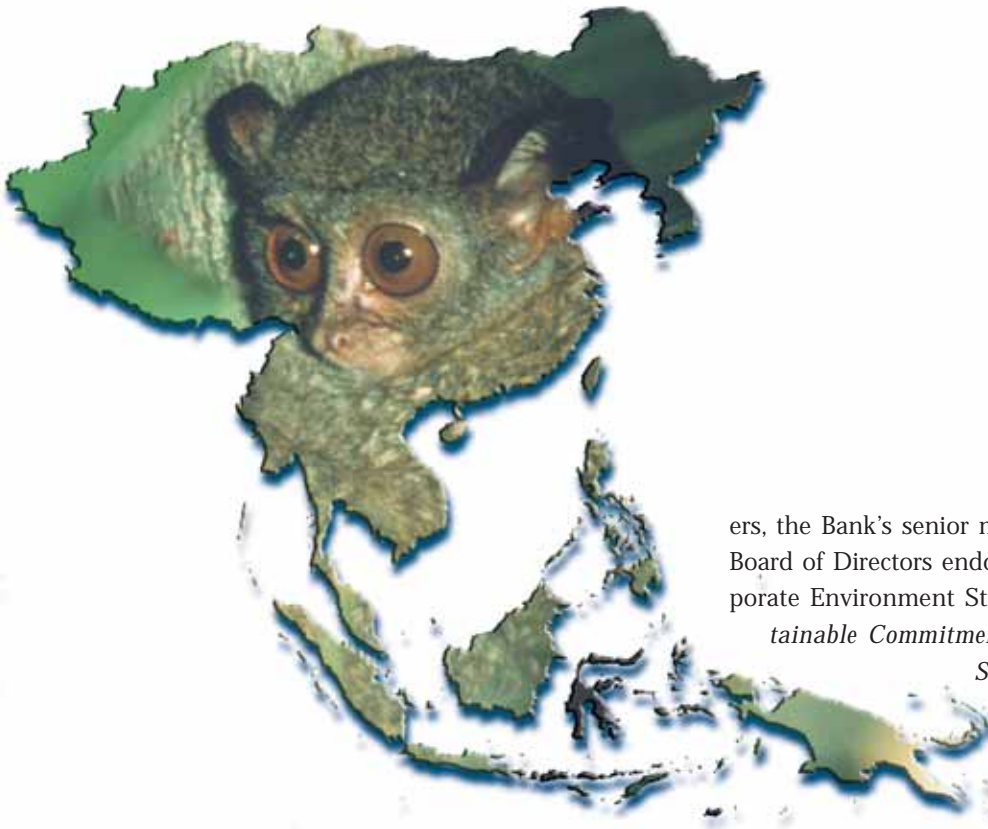
This Strategy describes the key environmental issues of development, provides an overview of the World Bank's environmental assistance to the region, and sets key objectives and a course of action for World Bank support to client countries in the region in the coming years. It is based on

needs across different country groups through a range of Bank instruments, and calls for attention to local circumstances and the engagement of local communities and stakeholders in project design. At the same time, the Strategy also emphasizes the need for systematic country-level and regional policy dialogue and partnerships with government, the private sector, civil society, and development partners to address national, cross-boundary and regional/global environmental issues in an increasingly integrating and globalizing region.

While future challenges are significant, the region has come a long way in its efforts to ensure environmental sustainability. The EAP Environment Strategy represents a contribution on this journey.

*Jemal-ud-din Kassum, Vice President  
East Asia and Pacific Region*





## Preface

Environmental issues are an integral part of the development challenge in the East Asia and Pacific (EAP). The region is continuing its economic growth and undergoing significant structural and demographic changes, such as industrialization, urbanization, and regional integration. In the face of such changes, the sustainable management of natural resources and the environment is a key condition for improving people's quality of life and for enhancing the opportunities of future generations to share the benefits of economic development.

For many years, the World Bank and other development partners have assisted client countries in addressing their environmental challenges. In 2001, after an extensive consultation process with a large number of stakehold-

ers, the Bank's senior management and the Board of Directors endorsed the Bank's corporate Environment Strategy—*Making Sustainable Commitments: An Environment Strategy for the World Bank*. The Strategy reflected a consensus on key environmental challenges and objectives; defined the Bank's environmental agenda; set a vision, objectives, and a course of action for the longer term; and suggested specific targets and institutional measures in the shorter term.

This EAP Environment Strategy builds on the lessons of the Bank's past environmental assistance to client countries in the EAP region, and adapts the corporate environment strategy to the conditions and circumstances of the East Asia and Pacific region. In addition, it takes into account recent developments in the global and regional contexts, including (a) the renewed commitment of the international community to sustainable development and the Millennium Development Goals (MDGs) at the 2002 World Summit for Sustainable Development (WSSD) in Johannesburg, South

Africa; (b) emerging environmental challenges and agreements such as the Stockholm Convention on Persistent Organic Pollutants; and (c) increased interest in regional integration among EAP countries.

Addressing environmental issues at the country, sub-regional, regional, and global levels requires policy dialogue; mechanisms for col-

laboration among several stakeholders, often with diverse values, objectives, and interests; and financing mechanism to respond to complex environmental challenges. The Strategy calls for enhanced collaboration among these constituencies to improve the development impact of environmental assistance as a fundamental part of poverty reduction and development programs.



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The broader EASES team that worked on the report included Dan Biller, lead economist; Andrew Bond, senior biodiversity specialist; Robin Broadfield, regional GEF coordinator; Phil Brylski, country sector coordinator for Vietnam; Helen Chan, regional ODS program coordinator; Surhid Gautam, operations analyst; Patchamuthu Illangovan, country sector coordinator for Cambodia, Laos, Malaysia, and Thailand; Joe Leitmann, environment program

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## Abbreviations and Acronyms

AAA	Analytical and Advisory Assistance
APL	Adaptable Program Lending
ADB	Asian Development Bank
AFTA	ASEAN Free Trade Area
ASEAN	Association of Southeast Asian Nations
BOD	Biological Oxygen Demand
CAI	Clean Air Initiative
CAS	Country Assistance Strategy
CDD	Community-Driven Development
CMU	Country Management Unit
CPIA	Country Policy and Institutional Assessment
CSC	Country Sector Coordinator
EAP	East Asia and Pacific
EASES	East Asia and Pacific Environment and Social Development Unit
EASRD	East Asia and Pacific Rural Development and Natural Resources Unit
EASUR	East Asia and Pacific Urban Development Unit
EASEG	East Asia and Pacific Energy and Mining Unit
EASEN	East Asia and Pacific Environment Unit
ENRM	Environmental and Natural Resource Management
EPB	Economic Planning Board
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESW	Economic and Sector Work
FASID	Foundation for Advanced Studies on International Development
FI	Financial Intermediary

FY	Fiscal Year
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
GMS	Greater Mekong Subregion
IBRD	International Bank for Reconstruction and Development
IAI	Initiative for ASEAN Integration
IFI	International Financial Institution
IDA	International Development Association
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
Lao PDR	Lao People's Democratic Republic
LIL	Learning and Innovation Loan
MDGs	Millennium Development Goals
MEIP	Metropolitan Environmental Improvement Program
MFE	Mainstreaming Fund for Environment
MFMP	Multilateral Fund for the Montreal Protocol
MRC	Mekong River Commission
NGO	Nongovernmental Organization
NRM	Natural Resource Management
ODS	Ozone-Depleting Substance
OECD	Organisation for Economic Co-operation and Development
PCF	Prototype Carbon Fund
PNG	Papua New Guinea
POP	Persistent Organic Pollutant
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
QACU	Quality Assurance and Compliance Unit
QAG	Quality Assurance Group
SME	Small and Medium Enterprise
SMU	Sector Management Unit
TF	Trust Fund
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
URBAIR	Urban Air Quality Management Strategy
VPU	Vice Presidential Unit
WBI	World Bank Institute
WHO	World Health Organization
WRI	World Resources Institute
WSSD	World Summit for Sustainable Development
WWF	World Wildlife Fund (for Nature)

*Notes:* Unless otherwise noted, all dollars are U.S. dollars.  
All tons are metric tons.