World Bank: Five Points of Focus

- Focus on Poverty Reduction, including Millennium Development Goals
- Commitment to Environmentally and Socially Sustainable Development, supporting Outcomes from the Rio and Johannesburg Summits
- Promoting Country Driven Development Effectiveness, including the Paris Declaration and Accra Agenda for Action
- Actively Supporting Responsible Growth Worldwide
- Integration of Climate Change, both Adaptation and Mitigation, as part of Development Planning
World Bank

- Bretton Woods Institutions – Founded 1944
  - International Monetary Fund
  - World Bank - International Bank for Reconstruction and Development
- An Intergovernmental Bank Owned by Over 180 Countries and Operating as a Cooperative Financial Institution

IMF and World Bank Have Evolved Over Time
World Bank Group

- International Bank for Reconstruction and Development
- International Development Association
- International Finance Corporation
- Multilateral Investment Guarantee Agency
- International Center for Settlement of Investment Disputes
World Bank: Types of Operations

- Development Policy Lending
- Poverty Reduction Strategy Credits
- Guarantees
- Investment Loans
- Financial Intermediary Operations
- Community Driven Development
- Social Funds
- Rapid Response
- Global Environment Facility (GEF)
- Carbon Finance and Climate Change
Important Points
Safeguard Policies

- Safeguard policies are Board-approved mechanisms for integration of environmental and social issues into decision making.
- Provide a set of specialized tools to support development processes.
- Support participatory approaches and transparency.
- Do not address all environmental and social aspects of programs and projects.
Two Key Concerns

- Development Effectiveness and Impact – Results on the Ground – Short and Long Term

- Identification and Management of Risk – both Real and Perceived
8. Evaluation
The Bank's independent Operations Evaluation Department prepares an audit report and evaluates the project. Analysis is used for future project design.

7. Implementation and Completion
The Implementation Completion Report is prepared to evaluate the performance of both the Bank and the borrower.

6. Implementation and Supervision
The Borrower implements the project. The Bank ensures that the loan proceeds are used for the loan purposes with due regard for economy, efficiency, and effectiveness.

5. Negotiations and Board Approval
The Bank and borrower agree on loan or credit agreement and the project is presented to the Board for approval.

4. Appraisal
The Bank assesses the economic, technical, institutional, financial, environmental, and social aspects of the project. The project appraisal document and draft legal documents are prepared.

3. Preparation
The Bank provides policy and project advice along with financial assistance. Clients conduct studies and prepare final project documentation.

2. Identification
Projects are identified that support strategies and that are financially, economically, socially, and environmentally sound. Development strategies are analyzed.

1. Country Assistance Strategy
The Bank prepares lending and advisory services, based on the selectivity framework and areas of comparative advantage, targeted to country poverty reduction efforts.
Integration Steps

- Identification
- Preparation
- Project Documents
- Loan and Grant Agreements
- Management Plan
- Appraisal
- Negotiations
- Implementation Schedule
- Project Budget
- Monitoring and Evaluation
Safeguard Policies: Objectives and Principles
Environmental and Social Review

All Bank Supported Operations Reviewed for Environmental and Social Impacts and Risks

Development Policy Based and Poverty Reduction Strategy Credits (when appropriate)

- **Strategic Assessment**
- **Poverty and Social Impact Assessment**
- **Other Appropriate Instruments**

Investment Lending
- **Safeguard Policies**

All Require Consultation and Disclosure
10 Safeguard Policies

- Environmental Assessment
- Natural Habitats
- Forests
- Pest Management
- Physical Cultural Resources
- Involuntary Resettlement
- Indigenous Peoples
- Safety of Dams
- Projects involving International Waters
- Projects in Disputed Areas

Plus Disclosure Policy  Piloting Use of Country Systems
Factors Affecting Screening

- **Type** - Project or specific components have inherent environmental risks
- **Location** - Proximity to environmentally, socially and culturally important areas
- **Sensitivity** - Potential impacts may be irreversible or environment sensitive to changes
- **Scale** - Extent of environmental and social issues
Key Safeguard Instruments

- Strategic Environmental Assessment
- Regional/Sectoral Environmental Assessment
- Cumulative Impact Assessment
- Environmental Assessment
- Environmental Management Plan
- Resettlement Action Plan/Framework
- Indigenous Peoples Plan/Framework
- Pest Management Plan
- Dam Safety Plan
- Audits and Planning Studies
Use of Country Systems
Bank Policy on Piloting the Use of Country Systems

- Expanding the Use of Country Systems in Bank-Supported Operations – Issues and Proposals

- OP/BP 4.00 – Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-supported Projects

- Progress Report Sent to Board in July 2009
Two Principles

- Equivalence
- Acceptability

Assessment of Equivalence and Acceptability
Prepared by Bank Staff, Subject to Consultation and Disclosure
8 Policies in Pilot Program

- Environmental Assessment
- Natural Habitats
- Forests
- Pest Management
- Physical Cultural Resources
- Involuntary Resettlement
- Indigenous Peoples
- Safety of Dams
- Projects involving International Waters
- Projects in Disputed Areas
Phase I - UCS Pilot Projects

- Bhutan: Rural Access
- Egypt: Industrial Pollution Abatement
- Ghana: Rural Energy Access
- India: POWERGRID*
- Jamaica: Inner City Basic Services
- Romania: Municipal Services
- Romania: Transport Sector Support
- South Africa: Isimangaliso Wetland Park (GEF)*
- Tunisia: Municipal Solid Waste Management

* Pending Board approval
Phase II - UCS Initial Pilot Portfolio

- Bhutan: Urban Infrastructure and Country Level
- Brazil: Financial Intermediary
- Croatia: Country Level SDR
- Lao PDR: Transport Sector
- Mauritius: Country Level SDR
- Morocco: Sanitation Sector
- Philippines: Country Level SDR
- South Africa: Power Sector
- Tunisia: Water Supply Sector
Donor Collaboration UCS Pilots: Multilaterals

- African Development Bank: Ghana, Mauritius, South Africa
- Asian Development Bank: Bhutan, India, Philippines
- European Investment Bank: Egypt, Tunisia
- European Union: Croatia, Mauritius, Romania
- GEF: Ghana, South Africa
- GPOBA: Ghana
- UNDP: Bhutan, Mauritius
Donor Collaboration UCS Pilots: Bilaterals

- AfD: Egypt, Ghana, Mauritius
- CIDA: Jamaica
- Danida: Bhutan, Egypt
- Finland: Egypt
- GTZ/KfW: Morocco, Tunisia
- JBIC: Egypt, India
- Nordic Development Fund: Ghana
- SNV: Bhutan
- USAID: Jamaica
New Guidance Materials

- Physical Cultural Resources Safeguard Policy – Guidebook (Spring 2009)

- Indigenous Peoples Safeguard Policy – Guidebook – (To be Issued Late 2009)
World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines)

- Issued in 1998 (online and hard copy) as Part III of the WBG Pollution Prevention and Abatement Handbook (PPAH per OP 4.01) to provide guidance to borrowers and the Bank regarding acceptable levels of air emissions, liquid effluents, solid and hazardous waste discharge and appropriate control technologies for a broad range of countries and conditions.

- Reissued online in 2007 as WBG EHS Guidelines: includes
  - General EHS Guideline for all sectors and
  - Industry-specific emissions, effluent, waste management, energy efficiency, occupational and community safety and health standards for industry sectors.

World Bank Group Environmental, Health and Safety Guidelines (EHS Guidelines)

Primary Industry Sectors

- Agro business (crops, food processing, aquaculture)
- Chemicals (organic/inorganic, natural gas/petroleum/coal processing, pesticides, pharmaceuticals)
- Forestry (forest management, sawmills, board and particle)
- Manufacturing (cement, foundries, glass, steel, pulp and paper, textiles)
- Infrastructure (water & sanitation, waste management, telecommunications, oil & gas distribution, transport, health care facilities)
- Mining
- Oil and Gas (onshore, offshore, LNG)
- Power (thermal, geothermal, wind, electrical transmission)
More Information on Safeguard Policies at the World Bank Group

- Safeguards Website
  www.worldbank.org/safeguards
- Use of Country Systems Website
  www.worldbank.org/countrysystems
- SEA Tool Kit Website
  www.worldbank.org/seatoolkit
- IFC’s Sustainability Policy Framework
  www.ifc.org
- EHS Guidelines
  www.ifc.org/ifcext/sustainability.nsf/Content/EnvironmentalGuidelines